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100 Soviet Pilots Lying for Egypt, U.S. Analysts Say

By William Beecher

WASHINGTON, May 13 (NYT).—About 100 Russian pilots have been sent to Egypt in recent weeks to man three or four squadrons of jet fighters, according to American and other Western intelligence analysts.

The analysts say this is in addition to 70 to 80 Russian pilots who have been training Egyptian pilots in Egypt.

The new complement of pilots, part of a military advisory force, now numbers between 8,000 and 10,000 men, may well grow further, high-ranking analysts say.

If the Soviet Union continues to play a larger role in air defense over the heavily populated Nile River Delta region that embraces Cairo and Alexandria.

The principal concern now of many administration officials is whether the Russians will decide to take over primary responsibility for air defense of all Egypt, including the west bank of the Suez Canal. If this happens, Defense and State Department officials fear Israeli jets will be sure to tangle with Soviet-manufactured jets.

For the time being, Israel is foregoing deep raids into the Cairo-Alexandria region, admittedly to avoid a direct confrontation with Soviet pilots and air defense missile crews.

Decision Expected

As the Nixon administration decides whether to provide additional F-4 and A-4 jet fighter-bombers to Israel, officials are debating whether an affirmative decision would tend to calm or exacerbate the Middle East situation. A decision on the American aircraft is expected soon.

American and Western intelligence sources concede that information on the precise shape of the Soviet buildup in Egypt is sketchy and in some details open to dispute.

For example, Israeli officials recently provided the United States with tape recordings of intercepted radio transmissions said to contain the voice of more than 200 Russian pilots.

American sources say these recordings included some duplications and were not taken to demonstrate that there were now more than 200 Soviet pilots conducting air defense missions from bases in Egypt. Presumably, much of the independent U.S. information on the presence of Soviet pilots also comes from monitored communications.

But as gleaned from a variety of military and diplomatic sources, the following appears to represent the approximate extent of new Soviet activity in Egypt:

- Approximately 100 pilots and their maintenance crews were transferred from assignments with three or four operational squadrons in the Soviet Union to Egypt; some of the latest model MIG-21s were flown in as well.
- The 8,000 to 10,000 military advisers, up from an estimated 2,500 to 4,000 men before the buildup, are said to include entire air defense missile and anti-aircraft artillery crews, maintenance men and communications specialists.
- Twenty SAM-3 air defense missile sites under various stages of construction, which would contain 160 missile launchers when all are fully operational; some estimates put the number at 200.

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BACK FROM BATTLE—Israeli troops cheer victoriously as they return home after the raid into Lebanon.

Malik Makes UN Assault On U.S. Policy

By Robert H. Estabrook

UNITED NATIONS, N.Y., May 13 (WP).—Soviet Ambassador Jacob Malik revived the cold war at a meeting of the Security Council today with a scathing indictment of American policy in Indochina and the Middle East.

In what several diplomats said was the most abusive big-power speech of recent years here, he charged that the Israeli forces that engaged in a thrust against Arab guerrillas in Lebanon yesterday had followed the "bloody" American examples at My Lai and in Cambodia.

Mr. Malik also accused the United States and Britain of blocking a Middle East settlement by failing to call for a complete Israeli withdrawal from all Arab territories occupied in the 1967 war. He appeared to indicate that the Big Four talks are finished unless this condition is met.

Today's Soviet outburst had been predicted by Communist sources as a means of expressing Kremlin displeasure over President Nixon's policy. It bore little direct relation to the immediate concern of the Security Council, which was debating further steps following the unanimous approval yesterday of a resolution demanding immediate Israeli withdrawal from Lebanon.

"The boots of the American military machine are trampling the soil of Cambodia," Mr. Malik declared. "The boots of the Israeli military machine are trampling the soil of Lebanon and other Arab countries. American soldiers, having begun with the bloody preparation at Song My (My Lai), are now doing the same thing in Cambodia. Israeli outposts do the same thing in Arab territory."

Comparing the Israeli assurance of withdrawal after the mission was accomplished to President Nixon's promise about U.S. troops in Cambodia, Mr. Malik continued: "The

After 32-Hour Raid

Israeli Force Quits Lebanon; Fighting Erupts Along Canal

TEL AVIV, May 13 (UPI).—An Israeli armored force clanked home today after 32 hours in Lebanon and the focus of Middle East fighting shifted back to the Suez front.

Israeli anti-aircraft fire drove off Egyptian jets attacking two Israeli positions in the Suez Canal's northern sector and struck two of them, a military spokesman said.

They were not seen to crash. While the air and ground battle raged to the south, the last tanks and half-tracks of the Israeli task force that pushed into southeast Lebanon at 4:30 a.m. yesterday crossed the frontier back into Israel at 12:30 p.m. today, the spokesman said.

The Egyptian hit-and-run raids, three hours apart, inflicted no casualties, he said.

On the ground, fierce artillery duels were fought across the canal. Egyptian shelling wounded one Israeli soldier, the spokesman said.

In Cairo, an Egyptian military spokesman said that Egyptian planes attacked Israeli positions in the northern sector of the canal, inflicting "heavy casualties in men and equipment."

He said that all Egyptian aircraft returned safely to their bases and denied Israeli reports that two of the planes had been hit by anti-aircraft fire.

The spokesman said that the Egyptian planes had carried out two missions and had encountered no Israeli aircraft.

No Opposition

Contradicting Arab claims that guerrillas harassed the Israelis as they pulled back from Lebanon, the military spokesman said that the Israelis met "no opposition whatsoever."

To guerrilla claims that they shot down an Israeli plane and helicopter and captured the helicopter crew, he said: "Two planes or helicopters were shot down and if the el-Fatah claim they have the crew let them produce them."

In the 14-hour search-and-destroy operation yesterday, Israel said the task force smashed guerrilla bases in and around six Lebanese villages in the southwestern foothills of Mount Hermon.

They killed 30 guerrillas and captured a Lebanese soldier and two guerrillas and 12 guerrillas. Two guerrillas admitted taking part in last week's rocket attacks on Kiryat Shmona, the spokesman said.

The spokesman said that 11 Israeli soldiers were wounded in the operation, ten slightly and one seriously. He said that 11 Arab guerrillas were brought back captive to Israel but the tally of guerrillas killed would not be announced until a body count was made.

Kiryat Shmona, where rockets killed three Israelis last week, is one of 23 frontier communities which Israel has said the Lebanese non-banded guerrillas have attacked 61 times since April 1.

In Beirut, the Lebanese Army said it lost six soldiers killed and 16 wounded, three of them seriously. A man and a woman—both civilians—were killed in a strafing.

(Continued on Page 2, Col. 3)

World's Major Stock Markets Take Beating

NEW YORK, May 13.—The daily erosion of stock prices continued today on Wall Street, pushing the Dow Jones Industrial average below 700 for the first time since mid-1963. The Dow dropped 10.75, closing at 693.84.

Since the Dow indicator hit a peak of 885 in December, 1963, the drop has amounted to 28.6 percent, or \$100 billion in market value.

On the London, Tokyo, Frankfurt and Toronto exchanges prices plunged to new lows for the year, with the need for Wall Street held at least partly to blame.

News of an April trade deficit helped tumble London prices, while market sources in Tokyo attributed the drop there to selling by overseas investors.

The Toronto exchange's industrial index reached its lowest level since June, 1968. Details Page 9.

Nixon Fighting Senate Threat to Indochina Policy

By Spencer Rich

WASHINGTON, May 13 (WP).—With the Senate preparing for a major battle over the President's Cambodia policy, the Nixon administration yesterday voiced strong opposition to an amendment barring retention of U.S. troops in Cambodia and denying funds for combat action to support the Cambodian government.

White House Assistant Press Secretary Gerald L. Warren made clear last night that the White House "does not favor the language" of the Cambodian amendment to the foreign military sales bill sponsored by Sen. John Sherman Cooper, R., Ky., and Frank Church, D., Idaho.

Mr. Warren denied that the White House had given its blessing to a substitute amendment formulated by Sen. Hugh Scott, R., Pa., the GOP floor leader.

The Scott proposal retained the principal language of the Church amendment but would permit the President, regardless of the prohibitions, to take any action he believes is "required to protect the armed forces of the United States."

[Senate Armed Services Committee chairman John Stennis, D., Miss., warned today that the current U.S. action in Cambodia might not be completed by the June 30 target date and that it might be necessary for the United States "to go back in" after four or five months to knock out North Vietnamese sanctuaries in Cambodia again if they are rebuilt.]

[Sen. Stennis made the statement to reporters a few moments before the Senate began its debate on an amendment barring retention of U.S. forces in Cambodia once the current operation is completed on June 30.]

[Strongly opposing the amendment, Sen. Stennis said that he looks upon the part of Cambodia containing the North Vietnamese sanctuaries as "part of the South Vietnamese battlefield" and that it would be a "grave mistake" to impose any limits on the President's powers "while the battle is still going on."]

Sen. Scott had indicated his belief that the addition of his language, which both Sen. Cooper and Sen. Church had said would nullify the purpose of their amendment, would "render the (Cooper-Church) amendment acceptable" to the White House, but Mr. Warren said the White House "has not endorsed any substitute."

While Sen. Scott, with the help of some White House aides, was drafting his language yesterday to (Continued on Page 2, Col. 8)

Rogers Bars Arms Support For Lon Nol

By Peter Grose

WASHINGTON, May 13 (NYT).—Secretary of State William P. Rogers pledged today that the United States would not become "militarily involved" with troops or air support to defend the Cambodian government. But he said that the United States was encouraging South Vietnam and Thailand to cooperate with Cambodia in meeting Communist threats.

This policy, he said, is the essence of the so-called Nixon doctrine. "Adams cooperating with each other to handle Asian problems."

Since both Thailand and South Vietnam receive large amounts of U.S. military aid, Mr. Rogers's remarks pointed toward a possible long-term device for the United States to aid the Cambodian regime of Prince Norodom Sihanouk, through third countries, even if direct large-scale engagement is ruled out.

The secretary put in a surprise appearance before newsmen at a routine State Department briefing to make his first detailed public remarks on the two-week-old military operation against Communist sanctuaries in Cambodia and the subsequent wave of criticism in this country and abroad.

"The moderates were very confused about whether the government was going to get bogged down in Cambodia," Mr. Rogers said, describing his meetings in the last week with the delegations of university students and faculty members.

He expressed confidence that their anxieties would be dissipated as the Cambodian operation is (Continued on Page 2, Col. 7)



APPEAL TO THE NATION—Five senators who bought TV time urge support for an amendment that would cut off funds for military operations in Southeast Asia after Dec. 31. From left: Charles Goodell R., N.Y.; George McGovern, D., S.D.; Frank Church, D., Idaho (foreground); Mark Hatfield, R., Ore., and Harold Hughes, D., Iowa.

U.S. Withdraws Several Companies of GIs From Cambodia

By James P. Sterba

SAIGON, May 13 (NYT).—Several companies of U.S. troops withdrew from Cambodia today after only a partial search of a North Vietnamese base area called Se San, in the central highlands, west of Pleiku.

The pullout brought to more than 1,000 but less than 2,000 the number of American ground troops withdrawn from Cambodia in the last two days. Part of this number was still being flown back to South Vietnam in helicopters after Secretary of Defense Melvin Laird said in Washington yesterday that "several thousand" American soldiers had been pulled back across the border.

The withdrawals thus far have come from two areas of Cambodia. Directly west of Saigon, in the Balu cache site area of the Paro's Bank elements of the 3d Brigade of the 9th Infantry Division withdrew late yesterday. Today, military spokesmen said one-third of the U.S. troops involved in the cross-border operation west of Pleiku had been withdrawn.

The pullouts came as field commanders—now briefed on official words out of Washington—continued to privately express the

view that more American and South Vietnamese forces are needed to help defend captured enemy supply depots. They cited reports that North Vietnamese troops had been reported to be moving in to contest destroyed yesterday. The spokesman

said they did not know where the tanks had been sighted. If confirmed, the tanks would be the heaviest pieces of enemy equipment found south of the northern central highlands. Air Force fighter-bomber pilots had reported destroying fewer than four armored cars in the Se San base area, west of Pleiku, but the largest enemy weapons found in the far south have been three-wheel-mounted 14.7-mm heavy anti-aircraft machine guns.

No new large quantities of supplies were reported uncovered today as allied troops continued to search out limited areas around cache sites already discovered. Late yesterday, in the Se San area, four miles inside Cambodia, soldiers of the U.S. 5th Infantry Division fought off a small group of enemy soldiers and discovered a 2 1/2-ton stock of arms and ammunition, including 15 heavy 51-caliber anti-aircraft machine guns, 200 bolt-action rifles, 200 pistols and several hundred rounds of mortars.

Military officials here did not list today the total amounts of captured enemy supplies, but they did claim that 6,741 North Vietnamese soldiers had been killed.

(Continued on Page 2, Col. 6)

Rejecting Ideological Surrender

Brandt Tells Party He'll Pursue East Policy

By Lawrence Fellows

SAARBRUECKEN, West Germany, May 13 (NYT).—Chancellor Willy Brandt said today that he would pursue none of his party's ideological principles and compromise none of his country's allies in his pursuit of better relations with West Germany's Communist neighbors to the east.

Speaking before an anxious and angry congress of the Social Democratic party, the chancellor said he would present East German Premier Willi Stoph with a proposal for settling their territorial disputes when they meet in June.

Our readiness for a good-neighborly relationship between the German states cannot be taken mean that we are hoisting the flag in the ideological argument, Mr. Brandt said.

We can have the same political style without having the same ideological style, the chancellor said. He also told party members who would like to push West Germany to the West German camp of nations and other members who fear that West Germany was falling from its position in the Atlantic alliance and formulated in close cooperation with the United States. Without the support of the United States, there could be no West for West Germany, he said. In it, there was a chance that Germany could improve its relations with the East.

"If the West German government succeeds," Mr. Brandt said, "the way will be clear for a serious attempt to reduce the strain of confrontation in Europe."

He was given a long standing ovation by the 430 party delegates and another 1,000 official and unofficial observers in the huge meeting hall on the exhibition grounds here.

The congress had hung since Monday under a pall of weariness and bad mood, and was in need

of some persuasive and reassuring words from the party leadership. The young militants in the party had been itching for a fight. They wanted to steer the party back to the old Socialist grounds of class struggle and quick domestic reform. Some of them would like to have broken West Germany loose from its Western alliances. The hall was swimming in resolutions. There were 1,329 of them this morning, and more were pouring out of the mimeograph machines.

The militants were angry. They had been told, when the Social Democrats were out of power, that they had to move gradually and behave responsibly, lest the voters become frightened of them. Now, with the Social Democrats in power, they are being told to move gradually and behave responsibly, lest their coalition partners, the Free Democrats, become frightened of them.

Delegates Flooded Out

SAARBRUECKEN, Germany, May 13 (AP).—Delegates to the Social Democratic party convention here, including Austrian Chancellor Bruno Kreisky, the top-ranking guest, were routed from their hotel quarters during the night as flooding rivers poured into the city.

Police said the Saar River has reached its highest point since 1949, when a catastrophic flood devastated the area.



Chancellor Willy Brandt speaking yesterday.

Comparing Israelis, GIs

Malik, in UN, Indicts Policy Of U.S. in Mideast, Indochina

(Continued from Page 1)

pupils blindly and bloodily are copying their teacher."

Such accusations were too much for Israeli Ambassador Yosef Tekoah, who blamed Moscow for spreading false information in 1967 about Israeli mobilization.

Looking at the Soviet representative, he asserted: "There sits the principal culprit responsible for inflaming the Middle East conflict."

Recalling the Soviet role in

Czechoslovakia, he said Mr. Malik's statement made it sound as if Kremlin policy were "Red Riding Hood's grandmother rather than the bloodthirsty wolf that it is."

Mr. Malik also criticized Mr. Yost's negotiating tactics, charging that when the Soviet government had decided not to make any accommodation and to bring effective negotiations to a halt, "he endeavors to conceal this fact by throwing up a smokescreen and indulging in a torrent of invective such as we have just heard."

Mr. Malik retorted that the new "act of aggression" by the United States in Cambodia is "not only unjustified in world opinion, but also in the eyes of your own youth. It is unjustifiable from any point of view whatsoever."

Although the United States was Mr. Malik's main target, Britain also felt much of his thrusts. Mr. Malik seemed to be trying to exploit minor differences of emphasis in Mideast policy between the United States and Britain.

British have been critical of the United States for failing to exert more pressure on Israel for withdrawal.

Diplomats doubted that Mr. Malik would have discussed the supposedly confidential material of the Big Four talks so openly if the Soviet Union had any expectation of agreement.

He noted that he appeared to have drawn back from previous Soviet assent to minor border rectifications. Several times, Mr. Malik mentioned that each government in the area has a right to security. But he said the Arab states had already made enormous concessions to Israel when they agreed to respect the borders of June 4, 1967.

Stronger Position

He told reporters that if this had been done after the 1967 Arab-Israeli war, Lebanon's position toward Israel would have been much stronger, and the Israeli incursion into Lebanon yesterday probably would not have happened.

Mr. Malik also stated that weapons be obtained from the Soviet Union. His argument is that Soviet arms are not only cheaper than those Lebanon has been getting from the West, but they could be obtained on long-term credit.

Lebanese armament and conscription plans have been stalled by a shortage of funds. The government has proposed an increase in gasoline prices to raise \$20 million for more arms and equipment. Negotiations with British and American oil companies, which have refineries on Lebanon's Mediterranean coast, also have been resumed in an effort to obtain more royalties. Lebanon is also seeking assistance and loans from oil-rich Arab countries such as Kuwait.

Press Speculation

Newspapers here today raised the possibility that Lebanon might join the Arab "eastern front" against Israel, so far limited to Syria, Iraq and Jordan.

Although the question of posting Arab forces here has not yet been raised publicly, informed sources believe that it may have been brought up in the urgent talks held here last night. Lebanon's chief of staff, Lt. Gen. Mohammed Sadek, with Lebanese President Charles Helou and Lebanese Army Commander Maj. Gen. Jean Nujum.

Gen. Sadek has returned to Cairo. He was reported to have carried Egyptian President Gamal Abdel Nasser's message to Mr. Helou offering aid against Israel.

Some right-wing elements have opposed bringing Arab forces here for fear that their presence might be used by their respective governments to influence internal Lebanese politics.

The prompt support given to Lebanon yesterday by the Syrian Air Force and by Iraqi artillery in Jordan has made a profound impression upon Lebanon. This was reflected in statements of gratitude by Lebanese officials and in editorials in newspapers here.

Syria lost three Mig-17s in the attempt to intercept Israeli fighter planes raiding Lebanese positions. The Syrians said that they, too, shot down three enemy planes.

Israel Releases

55 Arab Captives

TEL AVIV, May 13 (UPI)—Israel returned to Jordan today 55 Arab guerrilla suspects captured during an Israeli commando raid on the Jordanian village of Karameh two years ago.

The prisoners were returned across the Allenby Bridge checkpoint in a deal that Israeli government sources said would involve the release by Arab guerrillas of an Israeli night watchman abducted from the town of Metulla, near the Lebanese border, on New Year's Day.

Israeli troops May 21, 1968, thrust north of the Dead Sea to flush out Arab guerrilla bases in Karameh. Israel lost 30 troops killed and scores of others wounded in the operation and took back 85 el-Fatah suspects, of whom 30 had previously been released.

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Israeli Force Ends 32-Hour Lebanon Raid

Air, Artillery Battle Rages at Suez Canal

(Continued from Page 1)

that before the force pulled out this morning Arab guerrillas attacked the Israelis with small arms and hand grenades. He said that the fighting lasted three hours but the Israelis suffered no casualties.

Israeli leaders and the public at large dismissed with bitter shrugs today yesterday's UN Security Council resolution condemning Israel for the punitive raid.

In a smaller clash with guerrillas today an Israeli Army patrol killed five in a fight near the Mandassa Bridge area of the Jordan Valley, the Israeli military spokesman said.

He said the patrol suffered no casualties in the clash, which erupted at 7:20 a.m. "after a gang of terrorists infiltrated from Jordan."

In Jerusalem, Mrs. Golda Meir, the Israeli premier, sent a letter to UN Secretary-General U Thant declaring that Israel "continues to hold Lebanon responsible for attacks on Israel from Lebanese territory and like every other country has the right of self-defense," a Foreign Ministry spokesman said.

Alien Warns Lebanon

TEL AVIV, May 13 (Reuters)—Israel's Deputy Premier Yigal Allon warned tonight that Israel would carry out further actions against Lebanon if guerrilla attacks continued.

At about the time that Gen. Allon was speaking and only a mile away, a fresh clash with guerrilla infiltrators from across the Lebanese border was reported.

A military spokesman said that three guerrillas were killed when they opened fire on Kibbutz Manara at 9 p.m.

Greek Arms

Aid Is Urged

(Continued from Page 1)

renewal of heavy arms shipments from the United States will be regarded as a symbol of American approval for the colonels' government.

The Pentagon and others sympathetic to the Athens government contend that military considerations alone should determine whether the boycott is ended and, on these grounds, it should. The argument runs that Greece holds a strategic position on NATO's southern flank, that its strength and those who oppose its thrust are known to be divided over the Tassas recommendation. Some are arguing that the political cost at home and in Europe of supporting the regime far outweighs the marginal military advantage to be gained.

Mr. Tassas's report, however, was prepared at Mr. Nixon's direction and those who oppose its thrust are not sanguine over their chances of prevailing.

Despite the embargo on gifts of heavy weapons, Greece has been receiving substantial amounts of rifles, automatic weapons and other small arms from the United States. In the budget year that ended last June 30, Athens received \$91.3 million in weapons and parts.

Theodorakis Says

U.S., NATO Real

Powers in Athens

ROME, May 13 (Reuters)—Greek composer Mikis Theodorakis alleged today that the army-backed regime in Greece was under the absolute control of "United States imperialism and of NATO."

Mr. Theodorakis, a leading campaigner against the Athens government, who was released from 20 months of political detention in April, made the charge at a press conference here.

In reply to a question, he said he intended to visit the United States if he could obtain a visa, though he had not yet applied for one.

If he made the visit, he said, he would tell the Americans: "If you don't listen to the voice of this martyred (Greek) people, you risk earning its hatred forever."

Mr. Theodorakis described Greece as a concentration camp in the center of Europe.

The 44-year-old composer also warned exiled King Constantine he would not be welcome back in Greece if he did not join the struggle against the Athens government.

Gets Commerce Post

WASHINGTON, May 13 (UPI)—George M. Stafford, acting chairman of the Interstate Commerce Commission since Jan. 1, was named permanent chairman today by President Nixon. Mr. Stafford is the first permanent chairman of the commission under a reorganization plan put into effect by Mr. Nixon.

No more details of the successful assault were available except that it was by the South Col route used by successful British, Swiss, American and Indian expeditions.

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HAPPY PLAYING GROUND—David Eisenhower—grandson and son-in-law of presidents—waits for the pitch as he and two buddies bat the ball around on the White House South Lawn. His friends were unidentified.

Julie and David Eisenhower Decide to Skip Graduation

WASHINGTON, May 13 (AP)—Julie and David Eisenhower have decided not to attend their graduation ceremonies at Smith and Amherst Colleges, which are among campuses disturbed by anti-war protests.

A White House spokesman said today that President Nixon's daughter had talked over the situation with her mother.

The young couple also conferred with officials at their colleges and made the decision not to return to their campuses at all. Their grades are good enough for the colleges to award diplomas without further exams, the spokesman said.

Arrests, Fires, Sit-Ins

New Outbursts of Violence Occur on Some Campuses

NEW YORK, May 13 (AP)—Violent protests against the fighting in Cambodia and deaths at Kent State University shattered a day of relative calm on many campuses today but there were new outbursts of dissent on some of the nation's campuses.

An estimated 100 to 200 students were arrested at Virginia Polytechnic Institute in Blacksburg, early this morning after state police used a pickup truck to pull open a door students had chained when they occupied a campus building.

The students, angered because college officials refused to close the school in support of the anti-war protest, allegedly caused considerable damage to the building. Those arrested were ordered to pick up their belongings, get off the campus and stay off.

At Ypsilanti, Mich., a state of emergency was declared after a riot on the Eastern Michigan University campus. During it, a state police official charged that students were using slingshots to shoot steel balls at police. Eighteen youths were arrested, making a total of about 85 arrested there since Monday.

The emergency order by Gov. William Milliken, which included bans on the sale and use of slingshots in cars or bottles, was in effect for four hours but was lifted at dawn as tensions calmed.

San Diego Arrests

At San Diego State College, in California, police moved in late night and arrested 23 demonstrators who had held a building since Monday. The students removed chains from doors to the police in and went quietly.

In Denver, National Guard men, one of them carrying unloaded rifles, occupied the University of Denver campus while a shantytown christened "Woodstock Nation West" was torn down for the second time in three days. A police official said anyone trying to rebuild the shantytown would be arrested.

At Princeton University, in New Jersey, a firebomb was discovered at the Institute for Defense Analyses building, operated under Defense Department auspices and the target of earlier anti-war demonstrations. An hour later a

Ohio Guard Says Evidence Found Of Sniper Fire

COLUMBUS, Ohio, May 13 (AP)—The Ohio National Guard probed yesterday what it suggested was new evidence of sniper fire in the Kent State University shootings on May 4, in which four students died.

Guard spokesmen have contended that the troops opened fire during a confrontation with anti-war demonstrators, after a sniper began shooting.

Col. J.E.P. McCann reported that construction workers "heard" shot apparently originating from a nearby dormitory and that a 32-caliber revolver had been recovered from a river.

Col. McCann, reading a prepared statement, also reported that four weapons—two handguns and two rifles—had been taken from persons arrested in Kent on the day of the disturbance.

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Mitchell Sees Need to Shield News Sources

Would Accept Limits On Subpoenaing Notes

By William Chapman

WASHINGTON, May 13 (WP)—Attorney General John N. Mitchell said yesterday that he would not object to legislation protecting news reporters' notes from being subpoenaed in legal proceedings.

Mr. Mitchell acknowledged in a television interview that the confidentiality of information obtained by reporters contributes to the dissemination of news.

He also said that there are no militant groups that pose a serious threat to the American form of government, a statement that seemingly conflicts with at least one Justice Department policy regarding wiretapping.

Mr. Mitchell was interviewed by Mike Wallace of CBS and was asked if he would like to see a law passed guaranteeing the confidentiality of reporters' notes. "I would have no problem with that," he answered, even though in some instances it might "impair the administration of justice."

Difference of Opinion

That seemed to reflect a difference of opinion within the Justice Department, because early this year U.S. attorneys sought subpoenas for reporters' notes and film clips in investigations of Black Panthers and white radical groups in Chicago and San Francisco.

The department was widely criticized by news media, which contended that sources of news would be cut off if reporters could be forced to divulge confidential information.

In San Francisco, a Justice Department lawyer argued that a New York Times reporter should be required to testify before a grand jury investigating the Black Panthers. However, U.S. District Court Judge ruled that the reporter should not be required to reveal confidential information in the absence of "an overriding national interest."

Mr. Mitchell said in February that demanding information from news sources without first trying to negotiate an agreement would be a violation of department practice. The attorney general did not discuss specific legislation. Rep. Richard L. Ottinger, D., N.Y., and Sen. Thomas McIntyre, D., N.Y., have introduced a bill protecting reporters' information, with exceptions for national security and libel cases involving public officials.

No Real Threat

On the subject of militant organizations, Mr. Mitchell said: "Generally, I would say that I don't believe that there is any militant group in this country that is a real threat to the United States as far as its institutions are concerned, or as far as the continuation of our form of government."

He agreed that such groups "don't have the muscle, either by numbers or any of the other requirements that would be necessary, to materially affect our government."

Some violence-prone groups are "extremely disruptive," he said, but their actions "will have no long-term effect on the continuance of our government."

That appeared to conflict with the department's present wiretapping policies as advocated in court. In at least one case, Mr. Mitchell has advocated legalized eavesdropping "to protect the nation from attempts by domestic organizations to use unlawful means to attack and subvert the existing structure of government."

Rockefeller Signs Law

NEW YORK, May 13 (AP)—Gov. Nelson A. Rockefeller signed into law yesterday a bill guaranteeing a newsman the right to keep his sources of information confidential.

"Recent attempts by the federal government to require disclosure of confidential information," he said, showed that the danger of being held in contempt of court "is a real and imminent threat to newsmen."

Gov. Rockefeller said that the law protected written, oral and pictorial material gathered by a newsman, including his notes and the names of persons or organizations where he got the material. The governor said that the law makes "New York the only state that clearly protects the public's right to know."

Bomb Unearthed At Paris Airport

PARIS, May 13 (Reuters)—Plane departures were halted for 40 minutes at Orly Airport today while experts defused a 1,100-pound World War II bomb discovered in the freight area, where about 1,000 persons work.

Planes taking off avoided using the runway near the freight area, early in the afternoon. Then, as work went on to defuse the American-made bomb, all takeoffs were stopped. Traffic resumed after 40 minutes.

The bomb was found about five feet below the surface by workmen digging foundations for new installations. Officials believe it was dropped in an Allied air raid on Orly during the German occupation of Paris.

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Secretary of the Interior Walter Hickel.

Hickel Notes Cabinet Backing; Nixon Still Has Not Seen Him

By Don Oberdorfer

WASHINGTON, May 13 (WP)—Secretary of Interior Walter J. Hickel said in a television interview last night that some of his fellow cabinet members have privately applauded his "youth-must-be-heard" letter to President Nixon, but that the President said "not a word" to him about it.

The White House staff was "angry over the timing" of the letter, which leaked to the press last Wednesday, Mr. Hickel said. One member of the staff told him to "cool it" and asserted that the crisis following the Kent State University killings in Ohio "will blow over in 24 hours," he said. Mr. Hickel said that he was "concerned" and "appalled" by that remark.

The interior secretary said that he felt he had to write when he did because the mood of America last week was becoming "a very dangerous, explosive thing."

America on Brink

"I felt that this mood in America was on a very, very close balance of whether it would go to one of anger and desperation or one of anticipation and hope," he said. Mr. Hickel's comments were broadcast last night on the CBS network program "60 Minutes." The interview, with correspondent Mike Wallace, was taped Sunday.

One of the things which prompted the letter, Mr. Hickel said in the TV interview, was that he had been unable to see Mr. Nixon about his conviction that the administration lacked "appropriate concern" for youth and could not even reach Mr. Ehrlichman to ask him to pass along a message.

Mr. Hickel said that he did not "leak" the letter to the press and did not know who did.

During the interview at his home, the secretary was joined by his 19-year-old son, Jack, who is a university student in San Francisco. Young Hickel said that he was against the dispatch of U.S. troops to Cambodia and said of his father: "I think he was probably against it, too."

Jack Hickel said that he had talked over the now famous letter with his father before it was written. "I said I thought this was beautiful," he said.

Secretary Hickel said that he has given no thought to resigning his job, especially considering what has happened recently. "I've made my statement. I've made my input, and whatever happened beyond then wouldn't be something that I would instigate," he said. Some of his cabinet colleagues told him that "if I had any problems, let them know," Mr. Hickel said.

Racial Peace Now Restored In Augusta

Mayor Promises To Study Grievances

AUGUSTA, Ga., May 13 (UPI).

Racial peace has been restored to this city hit by riots largely by the verbal commitment of Mayor Millard Beckum rather than by the show of military and police might, according to black leaders.

Jeeps of National Guard men and armored cars with mounted machine guns patrolled the virtually deserted streets today where six men were shot to death and 60 other persons injured in violence Monday night.

A strict dark-to-daylight curfew was in effect. Soldiers manned road blocks leading into the 130-block Negro district.

A 17-year-old Negro was wounded by a bullet last night and hospitalized in satisfactory condition. Police said he was shot while leaving a store that was looted in Monday night's rioting.

Hundreds of blacks gathered on their doorsteps in the riot area last night, but black leaders pleaded with them to "cool it" and "give the mayor a chance." There were no incidents.

The black leaders, wearing black armbands to identify themselves to soldiers and policemen, had fanned out through the Negro district after a meeting with Mayor Beckum and the city council.

Daniel Cross, president of the local NAACP chapter, said Mr. Beckum promised to look into black grievances—including the release of black youths arrested during the rioting, the establishment of "working policies for hiring members of minority groups," and the investigation of "existing jail facilities."

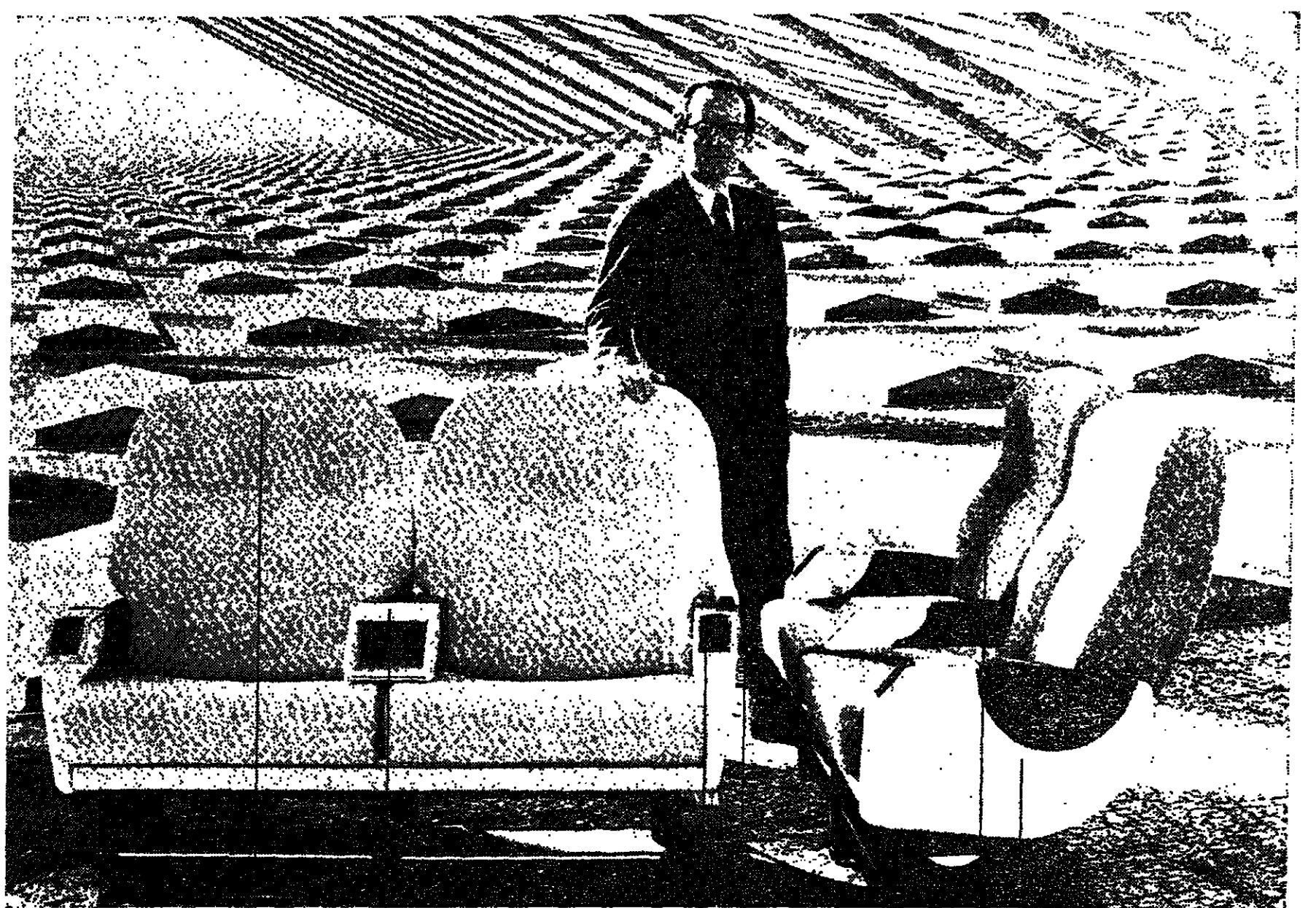
In Athens, Ga., a group of seemingly peaceful demonstrators warned beforehand they would be arrested if there was any attempt to march in Athens, was tear-gassed by police last night. Seventy-two were jailed for unlawful assembly.

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Rumor Meets Labor Chiefs, Strikes Spiral

Rome Police Clash With Hotel Workers

ROME, May 13 (AP).—Premier Mariano Rumor and government ministers held an unprecedented meeting with the nation's labor leaders today amid street skirmishes here between police and striking hotel workers.

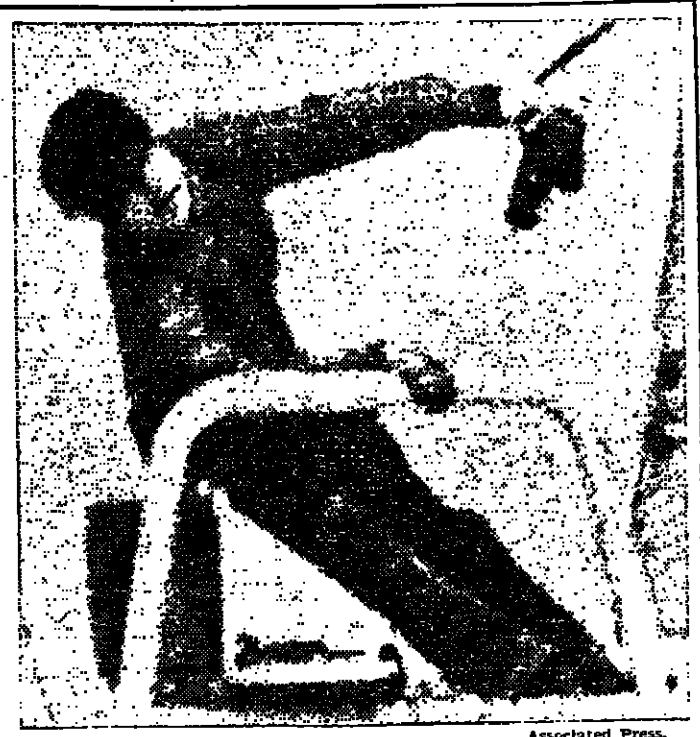
In an anti-strike, anti-government act, a Fascist group gathered during garbage left in the streets and a collectors' strike and dumped on the Capitoline Hill, where the Rome City Council meets.

Finance Minister Emilio Colombo and Labor Minister Carlo Donat Cattin, leader of all three major labor federations were among those attending the meeting in Mr. Rumor's office.

The labor leaders have called a series of crippling industrial and public strikes to force the government to enact housing, tax and social security reforms. Some 90,000 employees' strikes may jeopardize Italian regional elections scheduled for June 7.

In the Piedmont region surrounding Turin, 500,000 workers struck to protest against high living costs and demand social reforms. Half the 90,000 employees in the municipal employees struck, many shops and banks were closed, and no newspapers were printed.

Staggered strikes by municipal workers continued across Italy, with employees in Tuscany, Lazio, Abruzzo, Molise and Sardinia off the job today. Others in Campania, Puglia, Lucania, Calabria and Sicily are to walk out tomorrow. Employees of the state-run welfare, medical aid and tourism bureaucracies also launched a three-day strike today.



Hijacker reels from impact of police bullet.

Japanese TV Audience Sees Police Shoot Ferry Hijacker

HIROSHIMA, May 13 (UPI).—Police today shot and killed a young robbery suspect who had hijacked a ferry and forced it on a wandering 100-mile 17-hour voyage on Japan's Inland Sea.

Police said Nobuhiko Kawafuji, 20, was felled by a single bullet as he stood atop the deck of the ferry Prince Maru waving a rifle at police. He died an hour and 40 minutes later. He had fired at least 20 shots into the air and waved his collection of stolen weapons in defiance of repeated appeals to surrender.

The climax of the chase was televised live to Japanese viewers.

Kawafuji, a carpenter, seized the ferry in Hiroshima yesterday with 33 passengers and 11 crew aboard. He was fleeing from police after robbing a gun shop and attacking a policeman. The hijacker allowed the passengers and four crew to disembark during a refueling stop on Shikoku, the smallest of Japan's major islands. The ship then continued its forced voyage, pursued by 11 Japanese armed patrol vessels and a torpedo boat.

Castro Asks Release of 11 Fishermen

Blames Their Capture By Exile Group on U.S.

HAVANA, May 13 (Reuters).—Prime Minister Fidel Castro today demanded the release of 11 Cuban fishermen captured after two vessels were sunk by a Miami-based Cuban exile organization.

Mr. Castro said he holds the United States responsible for the lives of the fishermen. He refused demands by the organization, Alpha-66, to exchange the fishermen for eight of the guerrillas captured in an attempted invasion of eastern Cuba last month.

In a communiqué published in the Communist party newspaper Granma today, Mr. Castro said President Osvaldo Dorticos had yesterday summoned the Swiss ambassador in Havana, who represents U.S. interests here, and informed him of the Cuban demands.

President Dorticos also summoned British Ambassador Richard Sykes, alleging that counter-revolutionary organizations and the U.S. Central Intelligence Agency are using small British keys and islands off the Cuban coast to launch anti-Castro activities.

The president warned Britain to take steps to prevent these activities. Otherwise "the government of Cuba would find itself obliged to adopt the relevant measures with the aim of preventing them by its own means," he said.

In Miami, Alpha-66, a Miami-based militant exile organization, said today its forces had sunk two of Mr. Castro's "spy ships" and received a U.S. State Department warning against strikes launched from U.S. soil, the AP reported.

Mr. Castro's communiqué quoted a broadcast by Alpha-66 stating that the 11 fishermen are being held as hostages.

"The government of Cuba will reject fully and totally any blackmail by the CIA and its agents, which attempt to use the Cuban fishermen as hostages," he said.

According to the captured exiles, Mr. Castro said, Federal Bureau of Investigation and CIA agents continually visit the training camps of the exiled guerrillas.

Some reports said the invaders last month trained for their expedition at Great Inagua Island, a British possession in the Bahamas, 60 miles northeast of Cuba.

Alpha-66 said it had sent a message to the International Red Cross in Geneva urging it to use its good offices to arrange the exchange of the 11 fishermen from the invading guerrillas, who landed in Cuba on April 17.

Freed Spy for Russia Spurns Love of Her U.K. Colleague

LONDON, May 13 (AP).—The would-be romance of two convicted spies for Russia, last of the Portland espionage ring to be released from jail, blew up today. Ethel Gee, 55, told reporters she wanted no part of Harry Houghton, 63.

But in Poole meanwhile, Houghton was telling newsmen: "For the rest of our days, Ethel and I will live by the sea."

Houghton, a former British Navy petty officer, said he had no fears of the future: the Russians would look after him.

The two were paroled yesterday after serving nine years of their 15-year sentences for their part in passing British Navy secrets to the Russians.

Declared Love

Before leaving the Maidstone top-security prison, Houghton issued a statement voicing his undying love for Miss Gee. He said he would marry her within two weeks, and added:

"Her love and fortitude during these nine horrible years in prison have been an inspiration to me. She is a woman in a million. Such love is hard to find."

But in Portland today, Miss Gee said, "I don't want to see him."

Houghton "can say anything he likes," she added, but "it takes two to make a wedding."

She was speaking to newsmen on the doorstep of her home after a bitter taste of her fellow citizens' loathing toward her. She was pelted and hissed during a 15-minute walk to Portland Market. One man shouted, "Hello, traitor. What are you doing in this country?"

"Scum," Miss Gee shouted back before hurrying home.

In Poole, Houghton told reporters: "Several times I met one of the London bosses of the KGB (Soviet secret service), and he always stood by whatever promises he made to me."

"Several times he assured me that if ever I was arrested and sent to prison, I would always be looked after by his government."

He said the Russians had promised to pay his salary while he was in jail.

Spied for Love

Miss Gee, at her trial in 1961, testified that she had spied for the Russians because of her love for Houghton—who claimed he had been blackmailed into the job.

The masterminds of the Portland ring were Gordon Lonsdale, a Soviet agent, and Morris and Lola Cohen, alias Peter and Helen Kroger, of New York. Lonsdale was exchanged with the Russians for a Briton, Greville Wynne. The

Cohens were exchanged last year for British lecturer Gerald Brooke.

But Houghton, in a statement yesterday, denied that Lonsdale or the Cohens had headed "the conspiracy."

He also said he had written Miss Gee and hoped to "see her very soon." He said he had bought a bottle of her favorite cream sherry for the meeting.

"I don't want to be bothered," said Miss Gee. "I don't want to see anybody."

Comecon Summit Due to Approve Reports Today

WARSAW, May 13 (Reuters).—The Communist summit meeting on economic cooperation went into committee sessions here today to draft final documents for the three-day gathering, due to end tomorrow.

Earlier, delegations headed by the premiers of eight countries, including Alexei N. Kosygin of the Soviet Union, met in plenary session to continue discussion on moves toward economic integration.

A final plenary meeting of the 24th session of Comecon, the Communist economic coordinating and trading group, was expected tomorrow to approve the documents. The grouping includes the seven Eastern European countries plus Mongolia.

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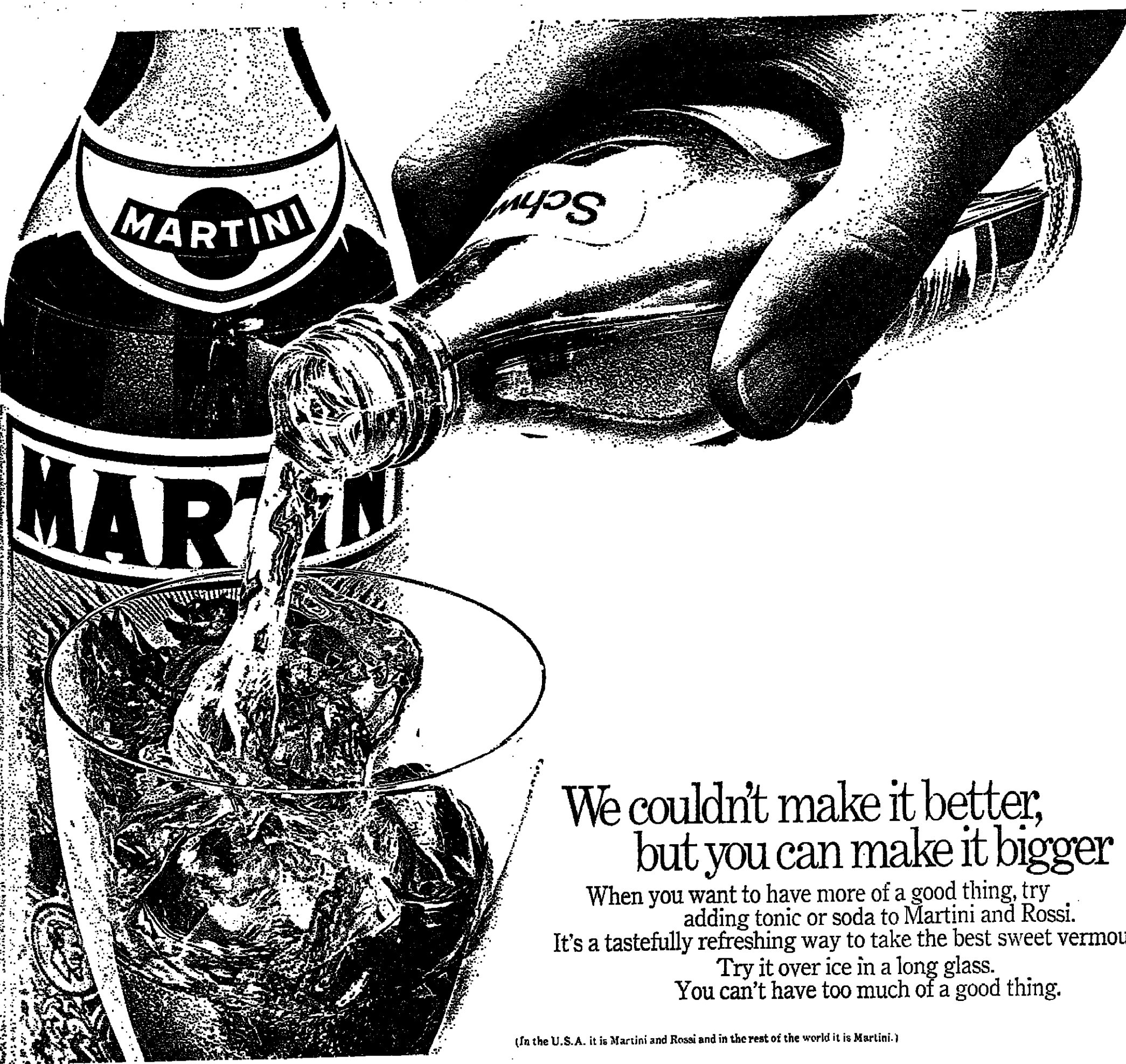
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The More Perilous Crisis

Israel's large-scale raid against guerrilla sanctuaries in Lebanon calls attention once more to a continuing crisis in the Middle East that is even more perilous than the escalating Indochina conflict on which national and international concern has focused in recent weeks.

As in Southeast Asia, punitive attacks against enemy forces operating behind other people's borders—though thoroughly understandable—are likely to do more political harm than lasting military good in the Middle East. The guerrillas certainly will return to their strongholds on the slopes of Mt. Hermon—and probably with more support than ever from the Lebanese, whose army apparently was heavily involved in Tuesday's fighting.

What makes the persisting pattern of attack and counterattack along the Arab-Israeli cease-fire line particularly dangerous is the recently reported introduction of Soviet pilots in the defense of Egypt. This step toward direct intervention by the Soviet Union on the Arab side has forced the United States to reconsider its restrained policy regarding additional arms aid to Israel and raises the specter of a big power confrontation in the Middle East.

In that area, as in Southeast Asia, the interests of all parties and of worldwide peace demand the most intensive search for diplomatic solutions. There have been some tentatively hopeful signals from the Middle Eastern belligerents, buried in the Southeast Asian war news of recent weeks. Israeli Defense Minister Moshe Dayan has indicated that Israel "is ready to re-establish an unconditional and unlimited cease-fire." Foreign Minister Abba Eban has said that in exchange for "true peace, Israel would be prepared to make concessions that might surprise the world." President Nasser deliver-

ed a May Day speech that combined his usual bluster with what Egyptian diplomats here have taken pains to point out was an "appeal" for new American efforts to bring about peace.

But neither side has gone far enough to break through the wall of suspicion that divides them. Prospects for progress in the Arab-Israeli stalemate might be significantly improved if both the Arabs and Israelis would give ear to some of the advice contained in a recent report of the American Friends Service Committee. Quaker proposals for new peace initiatives are based on a sensitive assessment of the deep feelings on both sides and contain pragmatic suggestions for compromise.

The report urges the Israelis and the Arabs, but especially the Israelis as victors, to take new initiatives to overcome the mood of "absolute distrust" that poisons the entire area. It asks the Israelis to drop their insistence on direct talks which it pragmatically concludes are not possible at this time, and to commit themselves to withdrawal from territories occupied during the 1967 war—contingent, of course, on completion of a peace settlement that meets Israel's security needs. It calls in turn on the Arab states and the Palestinians to commit themselves unequivocally in advance to recognize Israel's territorial integrity within agreed boundaries.

Such reciprocal assurances are consistent with the sometimes vague wording of the United Nations Security Council resolution of Nov. 22, 1967, which both sides say they accept. If offered publicly in advance of negotiations, they could help remove persisting doubts and strengthen the hands of the reasonable men whom the Quakers say they encountered on both sides during two years of intensive study and discussion.

THE NEW YORK TIMES.

Mideast Pattern: Raids and Reprisal

The point about the latest sequence of Palestinian raids and Israeli reprisal (this time into Lebanon) is not which party has the right, or more right, on its side. Foreign judgments on that question are dictated for the most part by political considerations unrelated to the merits. Palestinian guerrillas have risen in world sympathy since 1967 but, regardless, the Communist-Arab partnership in the United Nations would assure them votes there to their liking. Israel long ago decided, not without much bitterness, that Security Council disapproval of its practice of self-defense was a bearable price to pay for the military and psychological satisfactions of hitting back. Everyone realizes, though no one admits, that the guerrillas' Lebanese sanctuary is in a remote corner of the country which Beirut virtually ceded to the Palestinians last year on the understanding—so far respected by all parties—that the rest of Lebanon would be spared.

The important question is what the participants in transborder violence think they gain from it. For the Palestinians, the answer is: Everything. Unlike Egypt, whose declared "war of attrition" is directed at Israeli soldiers, the guerrillas chiefly direct terror at Israeli civilians. If some consider this cowardly, the Palestinians consider it discreet, a tactic within their means; and they have devised to support it a philosophy of undermining Israel's will to carry

on. The guerrillas believe, certainly with some justification, that they can survive even the fiercest Israeli reprisals and return to kill more farmers and their families on another day.

Israel's approach is quite different. Militarily, its choice is whether to confront the guerrillas on Arab soil, by reprisals, or on its own territory, by building a security belt. Israel has never liked the idea of penning itself up: Walls nourish its claustrophobia and undermine its sustaining hope of getting along some day with its Arab neighbors. Israelis also see an advantage in bringing the war to their foes. Yet reprisals obviously damage Jerusalem's foreign relations. Earlier it built an effective security belt—mines, wire, the works—along the Jordanian border. Now it will be under pressure to extend that belt along the border with Lebanon.

Politically, Israel's choice is more difficult, the more so because, officially, it does not recognize that the Palestinians compose a people with a right to a national homeland. This policy of nonrecognition is unavoidably thrust upon Israel by the Palestinians' insistence on establishing their state in Israel, destroying the Jewish state in the process. Until that gap is bridged, no number of retaliatory raids will put down the Palestinian cause. If and when it is bridged, the nature of the Mideast conflict will have been transformed.

THE WASHINGTON POST.

International Opinion

Perils of Neutrality

Lebanon is in a position comparable with Cambodia, which would have been liked to keep out of the Vietnam war, but had to allow North Vietnam to use the nation as a supply and attack base, which resulted in the invasion by the Americans and South-Vietnamese.

A nation wanting to keep itself outside conflicts can announce its neutrality. But it should also be able to defend its neutrality. Otherwise, it may become a prey of the first country violating this neutrality or may become the war theater of the fighting parties.

—From De Telegraaf (Amsterdam).

Nixon Among the 'Bums'

It must have been an extraordinary and moving spectacle—the President of the United States moving out at dawn, accompanied only by his valet and three guards, to mix with and talk to the demonstrators who thronged Washington. Harun al-Rashid flitted among his people in disguise. Mr. Nixon did not, thus showing considerable courage. Those offended at being called "bums" have long called others "pig" or worse.

In the International Edition

Seventy-Five Years Ago

May 14, 1895

PARIS—The Parisian public did its best yesterday to make the world forget the evening of March 13, 1861, when, for reasons which had nothing whatever to do with either art or music, it missed the work of Richard Wagner. Last evening was different, the score was a triumphal one and worthy of the music which was thoroughly listened to. M. Van Dyck sang the title role. It is to be hoped that "Tannhauser" will at last be added to the Paris Opera repertoire.

Fifty Years Ago

May 14, 1920

NEW YORK—The Socialist National Convention today nominated as its presidential candidate Eugene V. Debs, now an inmate of the federal penitentiary at Atlanta, Ga., under conviction of violation of the Espionage Law, after a half hour demonstration during which men cheered themselves hoarse and women wept. Edward Henry of Indianapolis made the nomination in a choked, emotional voice. There was a huge picture of Eugene V. Debs at the back of the platform.



Nixon's Three Theories

By James Reston

WASHINGTON—In explaining President Nixon's sudden decision to invade Cambodia, his foreign policy aides point to three Nixon theories about how to deal with the Communists in general and the Soviet Union in particular. These are worth examining.

The first is that you cannot show weakness in one part of the world without encouraging Moscow to believe that you will be weak and vulnerable in other even more dangerous parts of the world.

The second is that unpredictability is often a virtue in dealing with the Soviets, for if they cannot be reasonably sure of how the United States will react, they may be more careful about how they move against you or your allies.

And the third is that sudden bold moves that take the enemy by surprise are likely to be more effective than small moves which give the Communists time to adapt.

Betting on Weakness

These are bold and dangerous theories, but there is obviously something to them. For example, on the first point, President Kennedy was convinced that Moscow took the big risk of trying to put missiles in Cuba because Kennedy launched the Bay of Pigs invasion against Castro but weakened in the end and didn't see the invasion through.

Nixon referred to this theory in his "Six Crises," published in 1962. "Khrushchev would have been a superb poker player," he wrote. "First, he is out to win. Second, like any good poker player, he plans ahead so that he can win the big pots. He likes to bluff, but he knows that if you bluff on small pots and fail consistently to produce the cards, you must expect your opponent to call your bluff on the big pots."

"That, in effect, is what happened in Laos and Cuba. The United States talked big and did not back up its talk with action. There is nothing more dangerous in dealing with a man like Khrushchev than to talk bigger than we are prepared to act. . . . What happened in Laos and Cuba tended to make him far more cocky and far more belligerent than he would otherwise have been."

Letters

In Praise of Reuther

Your faint praise of Walter Reuther's life and work (editorial, May 12), reveals an astonishing failure to understand this great American who also happened to be a labor leader of singular intelligence, imagination, and social commitment. Your editorial was glossed with social resentment and suspicion for the labor movement and for the progressive social ideals of Reuther himself. In your commentary on his untimely death you painted a pale image of his contribution to American labor and society.

Who can match his example for fair and honest dealing in securing a living wage for the laborer or his implacable opposition to union corruption and gangsterism or to attempted Communist take-overs of organized labor? Who can claim a more respected place for having won for mass labor the right to organize and bargain collectively? If he stands as an equal to John L. Lewis, as you concede, it is because of these creative activities that have proved beneficial not only to labor but to American society as well.

Your hesitant praise of Reuther's achievements, even in his death, and the framing of your commentary in the context of an attack on labor come dangerously close to accusing Reuther of Big Labor's presently narrow and selfish views. That American labor needs reform and an enlarged social view certainly requires comment. But linking labor's regrettable development to Reuther's life and work suggests that he helped shape a monster that is no longer subject to his influence. He built better than that.

Your picture of Reuther falls pitifully short of his measure. Reuther belongs to that small band of men who can justly claim to have saved a demoralized America from the depths of the depression. He gave hope to its workers and found for them a respectable place within American society and in the councils of governments. One wonders whether the United States would now enjoy its economic ascendancy without the skills, energy and devotion of labor.

It is a fair speculation, supported by some of Nixon's principal advisers, that he had this wider theory of world policy in mind when he struck Cambodia. In almost every speech since he started withdrawing troops from Vietnam, he has inserted a warning that he would act if the enemy took advantage of him, and since Hanoi would not negotiate on his terms and kept building up the sanctuaries, followed by Moscow's sending its pilots into operational flights over Egypt, he moved suddenly and secretly.

Big Surprise

This was in keeping with his second and third theories. He did not follow what seemed to be the predictable line of steady withdrawal, but made the unpredictable lunge at Cambodia, and revived the bombing of North Vietnam, surprising not only Hanoi but Moscow, and many of his own associates and the Congress.

He explained later in his press conference that the difference between his strategy and President Johnson's was that Johnson moved against the enemy "step by step," whereas the Nixon invasion of Cambodia was "a decisive move."

The only trouble with these neat theories is that they don't always fit the facts. The Congress was surprised by his unpredictability, but the enemy wasn't, so we won't know till later if it was "decisive." It may be that the men in the Kremlin regard the President's invasion as unpredictable and even irrational, considering how it divided the American people and didn't find the enemy, but by the President's way of thinking, he may still have made the Soviet leaders think they must be careful in dealing with an invulnerable man who has so much power and is willing to use it despite the opposition of Congress and members of his own cabinet.

Two points need to be made about these Nixon theories. First, the United States did not react to Moscow's invasion of Czechoslovakia, yet Moscow did not then assume it could bluff Washington on Berlin or press its advantage to change the balance of power against the United States in Western Europe. Nor did the United

States assume that the Soviet Union was "weak" just because Khrushchev tried to put his missiles in Cuba and turned back when challenged by President Kennedy.

Historic Role

Second, whether Nixon's theories are correct or not, acting on them against a sovereign nation without the knowledge of any but two or three of his closest advisers and without consultation with the Congress, places enormous reliance on secrecy, the big strike, and on the judgment of the President alone.

If he is free to hit Cambodia in secret, why not Hanoi? Why not the Soviet ships bringing the arms from the real sanctuary? That would be even more bold and unpredictable. All presidents tend, of course, to take a highly personal view of their historic role, and many of them make the tragic error of thinking they are what they merely represent, but few have been quite so personal about it as Nixon.

As he said, "I knew the stakes that were involved. I knew the division that would be caused in this country. I also knew the problems internationally. I knew the military risks. . . . I made this decision. I take responsibility for it. I believe it was the right decision. I believe it will work out. If it doesn't, then I'm to blame." But what about everybody else concerned? In a world of atomic weapons, even if we concede a certain Machiavellian logic to the three Nixon theories, this is a startling assertion of personal authority: Never mind the Congress, never mind the division of the country. "I knew the stakes. . . . I knew the divisions. . . . I knew the risks. . . . I believe it will work out. If it doesn't. . . . Let us pray!"

Dear Senator, The technical-military reasons for the danger to Israel are exceedingly complex. But all these reasons can be boiled down to two simple formulas. Israel can hold off and has held off any number of Arabs supplied with any quantity of Russian arms. But in the long run, Israel cannot possibly hold off the Arabs—plus limitless Russian arms—plus Russians fighting at the side of the Arabs. That is the essence of the matter for Israel.

For us, the unprecedented Soviet move in Egypt also has a larger significance. In the whole quarter century of the cold war, we have had to expect almost anything from the Kremlin except Russian troops committed to a war outside the borders of the Soviet empire. That long-standing rule has now been broken in Egypt, and this is a most dangerous, probably permanent mutation in Kremlin behavior.

The wisest Soviet experts, who were much surprised by the mutation, are now explaining it on two grounds. First, they say that episodes like last weekend's demonstration have much emboldened the masters of the Kremlin, as the so-called "Oxford Oath" not to fight for king or country is well known to have emboldened Adolf Hitler.

Second, the experts believe the Soviets have now recalculated the risks they regard as acceptable to gain their ends, because this country has altogether lost the five-to-one nuclear superiority we enjoyed in your brother's time in the White House. If this is true, then your position on the ABM needs careful re-examination.

But much more needs re-examination than the ABM matter. The change in the rules of Soviet behavior, the grave resulting threat to Israel, the strong possibility that the Soviets may be hoping to gain control of the whole Middle East by helping to destroy Israel—these grim new factors in the world scene in fact demand a recall to painful fact-finding, a recall to national effort.

Your brother the President did not hold the strange new view that our country is immune from history's dangers. So I hope you do not share it either.

Sincerely, Your Friend,

The wisest Soviet experts, who

The Debate Inside The Administration

By Max Frankel

WASHINGTON—The Nixon administration has now reached a critical period of its tenure as it tries to pull the nation, and itself, back together again after a momentous fortnight of strain and tumult.

In the wake of the outcry over Cambodia and Kent State University, there is evident throughout the top of the government a strong desire to unite in defense of the presidency, to guard its authority against the outside world. But there are also signs of a new battle for the ear and favor of the President, a battle that may reopen many of the year-old arguments about the direction of government, about youth and blacks and civil liberties and economic priorities.

Some officials around the White House are said already to have suggested that a little good public relations will repair whatever damage has been done among the voters, that the college demonstrators have dispersed and directed their energies elsewhere and that Nixon's basic policies and politics will soon be vindicated.

But many others, including prominent cabinet members, are mounting an argument that Nixon needs a broader base of support to govern than he needs to win elections, that he must regain the respect of alienated citizens even if he cannot gain their votes and that he must re-examine his methods to attain that respect.

There is no reliable indication of how Nixon himself regards the situation. He knows he has aroused the opposition to the war in what he deems damaging proportions. He knows he has awakened bitter quarrels and rivalries among his aides and senior officials. He knows that the effort to demonstrate the nation's will and strength has, at least temporarily, only advertised its divisions and weaknesses. That is why he has lost a great deal of sleep in recent days and sought all kinds of fresh advice from educators, young people and labor leaders, outside as well as inside the White House.

But those who have seen him in the last 12 hours say they can't yet detect the full extent of his introspection. He has reaffirmed his confidence in the decision to "clean out" the Cambodian sanctuaries and is working hard to demonstrate its value. He insists that he has given the country no cause to question his candor on Vietnam or other issues and renews the challenges to his credibility and comparisons to his predecessor, Lyndon B. Johnson. And he has strongly disclaimed responsibility for the nation's unrest, contending that the malaise of many citizens would be just as great if there were no war or Nixon administration.

Nonetheless, Nixon is said to be listening keenly when advisers such as Henry A. Kissinger bemoan

the condition of the country, worry about the nation's capacity to withstand serious challenge from the Soviet Union, as in Middle East. He is said to be listening closely to such men as Daniel Patrick Moynihan as they suggest that the alienation of youth is not merely a matter of petty petulance but of profound different perceptions of the world by different generations.

To reassess the authority of the presidency in foreign affairs, those officials who questioned wisdom of the Cambodia decision are trying to help Nixon preserve his power as commander-in-chief. They argue that no president of the nuclear age can afford to have his hands tied against military action and that potential enemy must not be tempted by arbitrary restraints.

But apparently they also argue as Secretary of State William P. Rogers did before the Cambodia decision, that Nixon cannot afford to rupture his standing with the Congress and that the needed authority abroad must be seen to rest on authority at home.

And it is on this point of domestic appeal and authority, that Nixon faces the most persistent new pressure from advisers who will not be satisfied with easier access to him and his staff.

Like its predecessors in other administrations, Nixon's cabinet ceased long ago to function as a team. It does not meet often and cannot act as a body, despite the President's early claims to the contrary. What has troubled Robert L. Finch, the secretary of Health, Education and Welfare, George Romney, the secretary of Housing and Urban Development, Walter J. Hickel, the secretary of the Interior, among others, is not their diminishing role as individuals but their inability to resist the general trend of policy away from the liberal end of the Republican philosophy toward the more conservative.

In the choice of political tactics, economic priorities, approaches to Negroes and youth and other matters, these officials and others have resented what they took to be the President's increasing reliance on Attorney General John N. Mitchell, Vice-President Agnew and a few conservative White House aides and their own progressive exclusion from crucial policy debates.

The hope now is that the events of the last two weeks may have caused the President to reconsider his methods of work and perhaps even some of his political calculations about the mood of the country. They think they can at least re-establish some balance and they are trying to seize the moment of their leader's need.

Open Letter to Sen. Kennedy

By Joseph Alsop

I am sure you cannot contemplate with calm the possibility that Israel's 2.5 million brave people will be added to this century's dreadful toll of Jewish victims. Yet that possibility is what we must have to worry about if our votes have rational priorities because of the sudden appearance of Russian troops and fliers in Egypt in a combat role.

The technical-military reasons for the danger to Israel are exceedingly complex. But all these reasons can be boiled down to two simple formulas. Israel can hold off and has held off any number of Arabs supplied with any quantity of Russian arms. But in the long run, Israel cannot possibly hold off the Arabs—plus limitless Russian arms—plus Russians fighting at the side of the Arabs. That is the essence of the matter for Israel.

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The wisest Soviet experts, who

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(Continued on Page 18)

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Nixon to Form Panel to Study Trade Policy

EEC-U.S. Still Apart On Preferences Idea

WASHINGTON, May 13 (Reuters).—President Nixon will appoint a special commission on international trade and investment policy to examine trade issues facing the United States in the 1970s, including the impact of the European Common Market.

Secretary of State William Rogers disclosed this today in testimony before the House Ways and Means Committee, which is holding hearings on proposals for import quotas.

He said the commission will examine the entire range of trade and investment issues and will prepare appropriate recommendations for policy and legislation.

Mr. Rogers said the move arose partly from the administration's awareness of misgivings and concerns about trade policy that are held by important U.S. business and labor interests.

He said the panel would want to examine the world's new business climate, which was becoming increasingly internationalized, and economic forces such as the European Economic Community.

He said that although he could not anticipate the ultimate findings of the commission, his personal conviction was that the commission must inevitably choose the advance to a more open world economy rather than the retreat to protection.

In a related development, a high state Department official said the United States will probably have to decide in the next few weeks whether to go ahead with its own trade preferences scheme for developing countries as a result of the Common Market's reluctance to accept the U.S. position.

Nathaniel Samuels, deputy undersecretary of state for economic affairs, said of the negotiations with the EEC:

"We are now in the throes of deciding whether everyone will go ahead on their own or whether we carry the two schemes. We probably will have a decision in the next weeks."

As he outlined the basic differences of the U.S. and European scheme to a Commerce Department conference for businessmen, Mr. Samuels said that the administration proposal would allow for unlimited imports from developing countries except for textiles, shoes and petroleum. The United States also would apply an escape clause for industries suffering especially heavy damage in the U.S. market.

The EEC proposal would have a fixed ceiling on all products which could come in under the preferential scheme. Mr. Samuels said the Common Market was not prepared to accept the U.S. scheme.

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Economic Analysis

Fed Policy on Money Growth Under Fire

By John H. Allan

NEW YORK, May 13 (NYT).—Back in January, the Federal Reserve decided to change its anti-inflation tactics, and the shift seemed sensible because the old tactics had not been much of a success.

Instead of emphasizing interest rates and lending conditions in the nation's banking system, it would place more stress on regulating growth in "monetary aggregates"—such things as the total volume of checking account deposits and currency and bank credit. Modest, steady growth of the money supply would help restore a healthy economy, it was argued.

So the change was instituted. At the end of March, the money supply bulged abnormally and the Fed moved in April to trim the excess fat. The effort seemed to be succeeding, although interest rates fluctuated more widely.

Fewer Mistakes Expected

In any case, steady growth in the nation's total money supply was expected eventually to bring better control over economic growth and fewer mistakes than the Fed's less likely position credit conditions premature or make money easy too late, the central bank apparently decided.

Right now, however, it is hard to see how the Fed can continue to foster modest growth in the money supply without driving interest rates even higher and eliminating most non-government borrowers from the credit market.

Possibly the Fed's experiment with change aborted at the end of April as President Nixon announced his intervention in Cambodia. This caused the Treasury bond market to deteriorate rapidly, causing the Fed to rush to rescue a federal government financing that came very near failure.

Fed Abandon's Strategy

By injecting enough credit into the banking system to drive interest rates down and permit completion of the Treasury's financing last week, the Fed also abandoned, for the time being at least, its new emphasis on the monetary aggregates.

This new bulge in the money supply that is

likely to develop, however, is different from the one in late March. In April, the monetary authorities were unhampered by Treasury financing needs, and could tighten credit to counteract that earlier "unexpected" money-supply surge.

The Fed's problem now is the bigger volume of government and federal agency financing expected during the second half. Estimates of this now range as high as \$15 billion, and the Treasury plans to begin to raise this money early in the fiscal year beginning July 1.

Something Must Give

Since this prospective borrowing will be too large to be absorbed by an economy characterized by only moderate growth in the money supply, something must give. If the Fed persists in its new course, short-term interest rates seem certain to exceed last December's peaks.

This conclusion is based on the assumption that non-governmental credit demands will continue heavy, and commercial bankers report no decrease. In fact, their projections call for more credit.

With many long-term interest rates at their highest levels in U.S. financial history and with short-term rates nearly that high, the outlook is depressing for Wall Street's fixed-income securities market.

The government, of course, could be called upon to tax more and borrow less, but such a sensible fiscal course is unlikely in a congressional election year.

The Fed could also decide not to rescue Treasury issues, forcing the nation's debt managers to price securities attractively enough to sell, but this is "unthinkable."

All this concern about heavy credit demands and record interest rates would evaporate if the economy really slows down. Perhaps the stock market is saying this, but the consensus among economists foresees increased business activity ahead, not a slowdown.

Eventually something will have to change, and the most likely result may be some form of credit allocation policy. The Nixon administration's efforts to get institutional investors to put money into the mortgage market already is a hint this may be the outcome.

British Trade Figures In the Red for April

By John M. Lee

LONDON, May 13 (NYT).—Britain slipped back into the red in its merchandise trade accounts last month, but the overall trade position continued favorable, government figures showed today.

However, the appearance of even a moderate trade deficit after a string of surpluses struck the London stock market as just one more piece of bad news and sharp prices fell sharply.

The pound sterling lost three points soon after the trade figures came out, but later recovered to 84.46p, seven points over last night's closing.

Brokers said stock market sentiment had been adversely affected by Gallup poll indications that the governing Labor party would hold a 75 percent lead over the Conservatives if the British general election were held now.

However, one of the factors in Labor's new-found popularity is the emergence of a strong balance-of-payments surplus—and a regaining of national self-confidence—after years of deficits. The April figures did little to upset the trend.

In a brief assessment, the government said that "visible trade has been running close to balance and the current account of the balance of payments has continued in substantial surplus."

Analysts said such a situation certainly offered no obstacles to an early general election. Prime Minister Wilson is expected to decide in the next day or so whether prospects are bright enough for balloting in June.

Follows March Surplus

The Board of Trade said the visible (merchandise) trade balance, seasonally adjusted and excluding payments for U.S. military aircraft, was in deficit by \$29 million. The Bank followed a March surplus of \$9.8 million.

So far this year, the merchandise trade accounts have been in surplus by an average of \$14.4 million a month. In the past nine months, there have been only two deficits.

Britain has historically run a visible trade deficit and endeavored to offset it with an "invisible" trade surplus, that is, earnings from foreign investment, shipping, insurance and tourism.

Since last August, both the visible accounts have been in strong surplus, on average, and Britain has piled up a substantial balance-of-payments surplus, attracted investment funds and whittled away its short-term "swap" loans from foreign central banks.

The central statistical office estimates that invisible earnings are running in surplus at a rate of

\$96 million a month, an amount that easily covers the \$26.4-million visible trade deficit in April.

The deterioration arose last month from a \$48 million increase in imports to about \$1.8 billion, while exports gained only \$16.8 million to about \$1.63 billion. The import figures include shipping and freight charges which are deducted to produce the Board of Trade's adjusted trade balance.

The government department said that exports over the past three months had averaged 1 percent higher than in the preceding three months while imports are increased 5 percent on the same basis.

King's Pact With IOS Yet To Be Signed

GENEVA, May 13 (UPI).—Investors Overseas Services said today its agreement with Denver businessman John M. King has not yet been signed.

IOS spokesmen said lawyers are still going through some final clauses in the 54-page agreement. They emphasized that the agreement in principle and the contract were set on Sunday when the deal was announced.

"It is now simply a question of closing the contract," the spokesmen said.

The agreement is to be signed here, where IOS has its headquarters, and not in London as previously planned because it is in Geneva that the lawyers are working, the spokesmen said.

Asked about the denial by the Bank of New York that it is involved in Mr. King's \$40 million financing, IOS said that is Mr. King's business.

The spokesmen said the agreement is between IOS and Mr. King and it is up to Mr. King to bring other financial institutions in.

"That is his business and it does not affect the agreement as such," IOS said.

Under that agreement, Mr. King is providing credit of up to \$40 million to IOS in three-year loan financing in return for general support for equity participation in IOS through IOS preferred shares.

The shares of IOS founder Bernard Cornfield, who resigned last Saturday, and some other leading IOS directors, are to go into a three-year voting trust to be controlled by Mr. King.

King in London

LONDON, May 13 (NYT).—Mr. King met with London financiers tonight in another attempt to line up European financial support for his rescue of IOS.

European participation has been regarded as almost essential if Bernard Cornfield's beleaguered mutual fund empire is to regain the confidence of investors in Europe, where the bulk of its sales are made.

BASF Sales, Profits Show Little Change

LUDWIGSHAFEN, West Germany, May 13 (Reuters).—Badische Anilin- und Soda-Fabrik (BASF), the West German chemical giant, reported today flat first-quarter sales and profits.

However, group turnover rose 7.3 percent to 2.26 billion marks (\$816.9 million) from the 2.1 billion in the year-ago quarter. Group profit figures were not released.

The parent company's turnover totaled 1.14 billion marks compared to 1.07 billion in the 1969 quarter. Net profit was put at 93 million marks compared to the 90 million earned last year.

Andi NSU

STUTTGART, May 13 (AP).—Andi NSU Auto Union AG reported today profits of 12.5 million marks (\$3.41 million) in 1969.

It was the first annual report for the auto producer since NSU merged with the Volkswagen subsidiary Union. Although the two formally merged last summer, the report covers the entire calendar year.

Volkswagen currently controls 75 percent of the company's stock. Friedrich W. Pollmann, Andi NSU finance manager said 1969 sales amounted to 1.65 billion marks (\$450 million).

Although he predicted 1970 sales would top 2 billion marks, Mr. Pollmann said he feared the 1970 profit would be lower than that in 1969. This he attributed to the costs of the merger plus production expense increases.

Belgian Metals Firms Seek Merger Approval

BRUSSELS, May 13.—Two non-ferrous metals companies controlled by Belgium's Societe Generale de Belgique said today they will seek stockholder approval to merge.

The two firms, Metallurgie Hoboken and Cie des Metaux d'Overpelt-Lommel, have a combined annual sales volume of 25 billion Belgian francs (\$500 million).

Terms of the merger call for the exchange of five Hoboken shares for one Overpelt share.

The companies announced late last year that they were studying plans to merge.

Dutch Living Costs Up

THE HAGUE, May 13.—The Dutch cost of living index (basis 1964=100) rose to 131.3 in mid-April from 130.8 in mid-March, the Central Bureau of Statistics said today.

U.S. Auto Sales Slump Continued During Early May

DETROIT, May 13 (NYT).—New car sales in early May continued at slump levels, with the four automakers reporting 178,203 deliveries of U.S.-type cars, down from 257,206 sales a year before.

There were eight actual selling days in early May against nine selling days a year ago, meaning that the industry averaged 23,025 deliveries a day May 1-10, 1970, against 28,578 deliveries a day a year before, a decline of 23 percent.

The sales of each car maker May 1-10, compared to the same period a year ago, were: General Motors, 99,332 (147,881); Ford, 46,079 (63,891); Chrysler, 24,597 (38,796); American Motors, 6,195 (6,501).

Volkswagen Sales Rise

WOLFSBURG, West Germany, May 13 (Reuters).—Volkswagenwerk AG said today its U.S. sales in the first four months of this year rose to 183,377 vehicles from 183,643 in the same 1969 period.

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Higher Prime Rate Needed, Says Banker

Manufacturers Trust Chief Not Optimistic

By H. Erich Heinemann

NEW YORK, May 13 (NYT).—Conditions in the money market call for an increase in the prime rate and probably will continue to do so for the next three to six months, one of the chief lending officers of the Manufacturers Trust Co. said yesterday.

But Charles E. Woodruff, executive vice-president of the big New York City bank—which strongly opposed the half-point cut in the prime rate to 8 percent in late March—told an informal gathering of newsmen that political issues would probably prevent banks from raising this minimum interest charge on loans to the most credit-worthy corporations.

Among other things, Mr. Woodruff indicated that an increase in the prime rate would seriously dent the position of banks in the debate on regulation of one-bank holding companies, which opened yesterday before the Senate Banking and Currency Committee.

Discussing the prime rate, Mr. Woodruff said that despite credit market pressures (which have pushed interest rates sharply higher in recent weeks), he believed the next prime rate change would be downward. But he carefully refrained from predicting that this would come during 1970.

Banks Stymied

Mr. Woodruff reasoned that, since banks would be stymied from increasing the prime rate, there would simply be no change until the economy—and the overall demand for funds—eased sufficiently to allow a cut.

In the meantime, Philip H. Milner, another executive vice-president of the bank who was also present, said Manufacturers Trust was refusing loan requests worth almost \$100 million a month. Normally, the bank would have been happy to have made most of these loans, he said.

Because the bank was unable to raise its prime rate, Mr. Woodruff said, other devices aimed at raising effective loan yields were being pressed.

Compensating balance requirements (that require borrowers to keep a portion of their loan on deposit) were being rigorously enforced, he said, and rates higher than the prime rate were being charged on term loans (those that mature after one year). Term loans account for about two-thirds of total business loans at New York City banks.

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Wall Street Prices Drop Sharply

NEW YORK, May 13 (NYT).—The Dow Jones industrial average plummeted 10.75 today to 893.84—thereby carving out a new low for a period of nearly seven years—as investors and brokers reeled under the impact of the worst bear market since the depression.

"My customers keep asking me when the sell-off is going to end," one broker said. "I tell them the

truth. I tell them I don't know."

The decline has been accelerating recently with gloom virtually engulfing the investment community. One month ago the Dow indicator stood 93 points above today's close.

Since the indicator topped out at 985 in December, 1968, the drop has amounted to 29.6 percent. During this period, moreover, upwards

of \$160 billion in stock valuations—an amount double the current year's defense budget—has been lopped away from securities listed on the New York Stock Exchange.

While the familiar worries—the war in Southeast Asia, inflation and unrest on the domestic front, a dragging economy, a fear of additional tax cuts and slugs of equity financing—kept pushing the market down, a new element added grease to the slide today.

Psychological Setback

The added ingredient—namely, a sharp crack through the Dow's 700 level at the outset of trading—provided a psychological setback from which the session never recovered.

At 10:30 a.m., the indicator was down 5.53 at 898.53. An hour later, it hovered 11.55 below the previous close. A slight firming tendency appeared in the early afternoon, but then prices began to slip again.

The industrial average now stands at its poorest closing level since July 29, 1963, when it wound up at 690.71.

Standard & Poor's 500 dropped 1.32 to 76.53 and the NYSE index was down 0.74 at 41.99, both new lows for the year.

Volume Is Average

Volume ran 10.72 million shares, a shade above average for 1970 and far below the turnover required for a climactic selling purge that some analysts contend is necessary to clear the market's dismal atmosphere.

The glutinous group firmed about midday but drifted lower during the afternoon. Memorex was one exception to the general decline, closing up 5.8 at 75.62.

Zeros lost 1 1/2 to 77. Itek 3 1/2 to 38 3/8. University Computing 2 1/4 to 28 3/8 and Telex 1 1/2 to 14 1/2.

Commodities Most Affected

NEW YORK, May 13 (Reuters).—The continued sharp decline in stock prices today prompted selling of contracts in some leading commodity futures. Traders noted that margin calls in the stock market were forcing some speculators to sell commodity contracts to cover margins.

Stocks-to-Sales Ratio at 17-Month Record in U.S.

WASHINGTON, May 13.—Business inventories rose by the unusually small amount of \$150 million in March, but a sharp decline in sales pushed the ratio of stocks to sales to a 17-month high of 1.76, seasonally adjusted, the Commerce Department reported yesterday.

Sluggishness in inventories is a normal accompaniment of an economic slowdown.

The increase in inventory accumulation in the first quarter, at \$680 million, was the smallest since the "mini-recession" of 1967 and compared with the more normal \$3.4 billion rise in the fourth quarter last year.

Overall first-quarter sales were fractionally lower than the previous quarter's—the first quarterly decline since the first three months of 1967.

The decline in sales in March was widespread, with lower sales reported by both durable and non-durable goods firms at all levels of business—manufacturing, wholesale and retail.

Europe, Canada, Japan Losses Blamed Partly on Big Board

Stock prices plunged in London, Tokyo, Frankfurt and Toronto yesterday, partly in response to the continuing nose-dive on Wall Street.

In London, the Financial Times 30-share index fell to a three-year low of 344.3, off nine points for the day and 75.4 points since Friday's close. News of the April trade deficit and uncertainty about the government's election-date plans were blamed for the fall.

Prices in Tokyo tumbled, pulling the stock exchange average for the market's first session to a new 1970 low of 2,096.75, off 53 points for the day. Market sources said that overseas investors had resumed their selling, which had been credited for the 301.11-point slide in the average on April 30.

The Herstatt index of West German stocks fell to 197.35, its lowest level since April 2, 1968.

Sharp losses were widespread on the Toronto exchange, which recorded its fifth consecutive decline. The industrial index, down 2.61 at 162.31, set a low for the year and was at the lowest level since June, 1968.

Nixon's Economic Policies 'Bankrupt,' Says AFL-CIO

WASHINGTON, May 13 (WP).—The AFL-CIO has charged that the administration's "bankrupt" economic policies have driven the United States into recession and that its fight against inflation "has been a complete failure."

The charges were made in a statement to President Nixon after the AFL-CIO president, George Meany, had raised the issue during a surprise visit by the chief executive

to the labor federation's headquarters near the White House.

The blistering language contained in the council's statement on economic policy contrasted with the warm and friendly reception Mr. Nixon received from Mr. Meany and other members of the 50-man executive council.

The council reiterated its willingness to accede to wage controls if the President exercises the authority he now has and finds he needs further measures, but it would then expect comparable restraints to be put on prices, profits, dividends, rents and executive compensation.

The statement was particularly critical of the fact that the jump to a 4.8 percent jobless rate last month equaled the sharpest month-to-month rise since the 1960 recession.

— 1970 — Stocks and							— 1970 — Stocks and							— 1970 — Stocks and																		
High	Low	Div.	in \$	Sta.	100s.	First	High	Low	Last	Ch'ge	High	Low	Div.	in \$	Sta.	100s.	First	High	Low	Last	Ch'ge	High	Low	Div.	in \$	Sta.	100s.	First	High	Low	Last	Ch'ge

4-12	85	54 1/2	SIO On	2.70	55	54 1/2	55 1/2	52 1/2	53 1/2
4-12	56	52 1/2	SIO On	pfr.75	2.30	54	54	54	54
4-12	1034	54 1/2	St Packaging		30	55 1/2	54 1/2	54	64+ 16

[illegible]

19	39%	38	San On	pt.23	178	33%	23%	52%	23%
18	27%	27	1914	Sumbeam	80	33%	23%	52%	23%
17	27%	27	1914	Sumbeam	80	33%	23%	52%	23%
16	48%	43	Sundel	pt.23	3	43%	43%	43%	43%
15	18%	18	1914	Sumbeam	80	33%	23%	52%	23%
14	21%	21	San Valt	1.18	1	21%	21%	21%	21%
13	144%	14	Superm	pt.1.50	4	106%	106%	106%	106%
12	34%	34	Superm	pt.1.50	4	106%	106%	106%	106%
11	34%	34	Superm	pt.1.50	4	106%	106%	106%	106%
10	34%	34	Superm	pt.1.50	4	106%	106%	106%	106%
9	19	19	33%	swiff	Co.	20	15	15	15%
8	32%	32	33%	swiff	Co.	157	25%	25%	24
7	32%	32	33%	swiff	Co.	157	25%	25%	24
6	28%	11	33%	swiff	Co.	12	12	11%	11%
5	28%	11	33%	swiff	Co.	12	12	11%	11%
4	35%	35	35%	swiff	Co.	23	33%	33%	33%
3	28%	16%	16%	Tall Bird	40	11	11	11%	11%
2	28%	16%	16%	Tall Bird	40	11	11	11%	11%
1	46%	46	46	Tall Bird	40	11	11	11%	11%
19	21%	21	21%	Tall Bird	40	11	11	11%	11%
18	21%	21	21%	Tall Bird	40	11	11	11%	11%
17	21%	21	21%	Tall Bird	40	11	11	11%	11%
16	21%	21	21%	Tall Bird	40	11	11	11%	11%
15	21%	21	21%	Tall Bird	40	11	11	11%	11%
14	21%	21	21%	Tall Bird	40	11	11	11%	11%
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10	21%	21	21%	Tall Bird	40	11	11	11%	11%
9	21%	21	21%	Tall Bird	40	11	11	11%	11%
8	21%	21	21%	Tall Bird	40	11	11	11%	11%
7	21%	21	21%	Tall Bird	40	11	11	11%	11%
6	21%	21	21%	Tall Bird	40	11	11	11%	11%
5	21%	21	21%	Tall Bird	40	11	11	11%	11%
4	21%	21	21%	Tall Bird	40	11	11	11%	11%
3	21%	21	21%	Tall Bird	40	11	11	11%	11%
2	21%	21	21%	Tall Bird	40	11	11	11%	11%
1	21%	21	21%	Tall Bird	40	11	11	11%	11%

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11%	64	World Almay	25	6%	53	74	5%	52
30%	74	80% Wrigley "A	25	6%	100	80%	4%	50
15	1%	W. Hurler "C	8	18	10	5%	94	76
			X					
11%	77%	Xerox Co. "D	92	76%	79	76%	77	-1%
30%	17%	AT&T Inc	9	17	17	16%	16%	76
			Y					
21%	17%	Yungst D. 1.20	4	14%	14	18	+1%	
			Z					
4%	27%	Zale Corp. "A	35	20%	28%	28%	28%	+1%
30	31	Zale of A.M.	20	20%	20%	27%	27	+1%
30%	17%	Zapata Morn	14	17%	17%	17%	12%	-6
4%	27%	Zenithor pl 2	12	26	26	26	26	-1%
14%	17%	Zenithor pl 3	3	26	26	26	26	-1%
37%	37	Zenithor 1.60	137	26%	26%	26%	26%	-1%
30	37	Zurn Ind "B	169	16%	16%	18	18	



The \$100,000,000 Switch - to - IIG Contest

Jerome D. Hoffman, president of IIG Sales, the fastest growing financial organization in the world, announces the greatest contest in the history of the mutual fund industry

—the one hundred million dollar switch contest, in 180 days.

You and other salesmen throughout the world can participate.

SWITCH, SWITCH, SWITCH TO IIG PRODUCTS. It costs your client nothing to switch as all IIG funds are no-load. These include the **REAL ESTATE FUND OF AMERICA**

(a major real estate growth fund which invests mainly in new construction)

and the **FUND OF THE SEVEN SEAS**

(the world's first fund to invest a major part of its assets in ships and shipping).

IIG pays the highest commission in the industry—up to 7% non-reducing commission on all new or switch business (and yet it still costs your client nothing).

IIG pays you, in addition to your commission,

1% per year (in cash) as long as your client's money remains in the fund.

This is the American Plan. No other fund can match it!

Conditions of the Contest

All prizes will be awarded on condition that International Investors Group receives a world-wide production of \$50 million worth of switched investments within the period of the contest

—the next 180 days, beginning June 1, 1970.

1st Prize—You can make for yourself *A MINIMUM* of \$1,000 per month for the rest of *your life*... if you have the highest personal volume in switches during this 180-day period.

2nd Prize—The next 25 most successful salesmen who, during this period, produce the highest personal switches, will each receive a brand new deluxe American car—including the import taxes of their respective countries.

3rd Prize—A secure future with IIG. There is no better company.

Get set and GO. The CONTEST IS ON! Switch, Switch, Switch to IIG.

☆ Not only salesmen in the field, but IIG staff will share in prizes. Fifteen cars of the same quality will be awarded to members of administrative staff, in London and elsewhere.



Holmes Brown (left), chairman of the New York Board of Trade, talks with Jerome D. Hoffman (center), president of IIG (Sales) and New York's former Mayor, Robert F. Wagner, chairman of IIG. All have switched to IIG.

Jerome D. Hoffman.
Jerome D. Hoffman, President

INTERNATIONAL INVESTORS GROUP (SALES) LIMITED

UNITED KINGDOM OFFICE:

Thorn House, P.O. Box 10, Upper St. Martin's Lane, London, W.C.2.

Telephone: 01-836 4455. Cables: Usrilstate, London, W.C.2. Telex: 267505.

Banks Spoils No-Hit Bid in 8th

Mets Blank Cubs Behind Gentry 1-Hitter

CHICAGO, May 13 (AP)—Speedballer Gary Gentry held the Chicago Cubs hitless until Ernie Banks' two-out single in the eighth inning today as the New York Mets recorded a 4-0 victory on the one-hitter.

Gentry, 23-year-old right-hander, retired the first 12 batters until Ron Santo walked in the fifth. Santo was erased on a double play and Gentry kept retiring the side in order until Banks connected on a 2-3 fast ball in the eighth. It was lined into left field and Dave Marshall, slipping slightly in making a start for it, nearly caught the drive at his shoeshorn. The ball went through him.

Art Shamsky got the Mets in front with his fourth homer in his last five games, a solo shot in the fourth inning.

The Mets got another run in the fifth when Wayne Garrett led off with a double, took third after the catch of Jerry Grote's long fly ball and scored on Gentry's single.

The Mets added two more runs in the seventh. Mike Jorgensen walked and scored on Garrett's triple. Garrett came home on Grote's single.

Gentry struck out six of the first 12 men to face him. The Cubs, meeting the Mets for the first time since they rushed past them last September to take the National League pennant, didn't get the ball out of the infield until Glenn Beckert lined out to right field in the seventh.

Gentry boosted his record to 4-1 while Bill Hands absorbed his second loss against five victories.

Tuesday's Games:

Reds Defeat Pirates
PITTSBURGH, May 13 (UPI)—Lee Maye's tie-breaking homer in the seventh inning and Johnny

Bench's two-run homer in the ninth propelled Cincinnati to a 5-3 victory over Pittsburgh last night and gave Jim Merritt his seventh victory of the season. He has lost twice.

St. Louis 9, Phillies 5
Richie Allen, who beat his former team, Philadelphia, with a three-run homer the night before,

drove in four runs as St. Louis won 9-5. Allen doubled across a run in the first, hit a two-run homer in the fifth that put St. Louis ahead 6-5, and sent in another run with a groundout in the sixth. Joe Hague also knocked in four runs for the Cardinals.

Padres 6, Giants 5
San Francisco's Dick Dieck drove in three runs, giving him 35 for the season, but San Diego won 6-5, scoring their last two runs on bases-loaded walks by Miguel Puentes and Bill Paul.

Astros 8, Dodgers 3
Dennis Menke drove in four runs with a homer and a single and Doug Rader got a homer, a double and a single to pace Houston to an 8-3 victory over Los Angeles.

Orioles 5, Twins 4
In the American League Minnesota's Rod Carew, who stole home seven times last season, had his troubles on the bases as Baltimore won, 5-4. In the eighth, Carew was caught off first and tagged out on an attempted delayed double steal. Then in the ninth the game ended when he was out trying to steal second as Harmon Killebrew struck out. Frank Robinson, with a double and Don Buford with a triple each drove in two runs. The Twins' defeat dropped them one game behind California in the Western Division race.

Athletics 5, Senators 3
Sal Bando drove in four runs, two of them with an 11th inning homer, as Oakland defeated Washington, 5-3, and sent the Senators to their sixth straight loss.

White Sox 7, Tigers 2
Tommy McGraw's single, the fourth of five straight hits, drove in the tie-breaking run as Chicago erupted for four runs in the eighth inning for a 7-2 victory over Detroit.

Yankees 9, Brewers 5
Jerry Kenney drove in three runs with a triple and two singles and Fritz Peterson scored his fourth victory of the season as New York downed Milwaukee, 9-5, and snapped the Brewers' five-game winning streak.

Angels 6, Red Sox 5
Billy Cowan singled with two out off the glove of third baseman Luis Alvarado to score two runs as California erupted for four runs in the bottom of the ninth inning to nip Boston, 6-5.

The Red Sox had gone into the ninth leading, 5-2, on the strength of Tony Conigliaro's two-run homer in the seventh.

House to Debate South Africa Tour
LONDON, May 13 (UPI)—The House of Commons will have an emergency debate tomorrow on the all-white South African cricket tour of England next month.

Philip Noel-Baker, Labor party parliamentarian, asked for the debate and was supported by enough backbenchers to succeed in getting it.

The tour has developed into a political issue here with Prime Minister Harold Wilson opposing the tour and his Conservative party opposition leader Edward Heath, favoring it.

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The 500th was on a fast ball, inside. They've been pitching me inside because I wasn't getting the bat around, and I was expecting it. I thought it was going when I hit it.

"I knew it was when I looked out there and saw (Rico) Carly turn around and watch it go."

Banks conceded that his age affected him on the home run play because, "When I get out there between second and third, I felt like that new organ in Wrigley Field was on my back."

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Ernie Banks: "I feel like I'm 12 years old."

39 and Going Great

CHICAGO, May 13 (UPI)—A song and dance man, Ernie Banks isn't. But to his teammates, Mr. Cub is still "the greatest."

The 39-year-old Banks, a veteran of 18 major league seasons, presented a strange sight yesterday, almost an hour after the Cubs 4-3, 11-inning victory over the Atlanta Braves. There was Banks, cowering in the outfield, singing, clucking his heels and exclaiming, "I feel like I'm 12 years old."

There was good reason for Banks' joyous celebration for he had just contributed to Chicago's latest triumph with his third homer of the season and two runs batted in. During his 18-year major league career, Banks has hit many homers and knocked in even more runs but what made yesterday's accomplishments noteworthy was the fact he became only the 11th player to hit 500 or more lifetime homers and only the 12th player to reach the 1,600 runs-batted-in mark.

Felt the Pressure
Banks admitted feeling the pressure mounting as he neared the 500-homer mark. "My timing was off and I was struggling," he said. "But the fans and my teammates kept talking to me and finally I relaxed. That makes all the difference in my swing."

Banks acknowledged the cheers of the small 5,254 Wrigley Field crowd by tipping his cap as he crossed the plate after hitting his milestone homer in the second inning. By the time he got back to the clubhouse, over an hour after the game ended, he spotted the sign in his locker reading: "Congratulations to the greatest."

Another of his admirable qualities, his cooperation with the news media, led to Banks' delay in reaching the clubhouse as he submitted to four television interviews, numerous radio interviews and finally sat through a press conference.

Banks' homer came off Pat Jarvis and the Cub first baseman said he appreciated the fact that he hit his round tripper "against an established pitcher."

"I sure do remember my first home run," he said. "It was in St. Louis Sept. 20 or 21 in 1953, and the pitcher was Gerry Staley."

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IOC to Defer Action on Eligibility

Brundage Still Active, However

By Mike Katz

AMSTERDAM, May 13.—It appeared today that the 68th International Olympic Committee Congress would again defer action on the biggest problem facing the games—professionalism and commercialism.

But although the session, which lasts through Saturday, was expected neither to change the rules of amateur eligibility (perhaps relaxing them somewhat) or to expel such "professional" sports as Alpine skiing and ice hockey, there are indications that Avery Brundage has been busy behind the scenes.

The IOC president has reportedly warned the various international sports federations that only amateurs will be allowed at the 1972 Summer Games in Munich and the Winter Games in Sapporo, Japan.

According to one source, Brundage will try to make use of the special IOC eligibility jury at the games to disqualify any athlete deemed not to be an amateur.

The source, a respected figure in Alpine skiing, said that this would result in the barring of almost all the current world stars in that sport.

Poisonous Cancer
Alpine skiing, which Brundage called Saturday a "poisonous cancer" that must be eliminated from the Olympics, would not be the only sport affected. He has also strongly attacked ice hockey and has criticized soccer, basketball, figure skating and boxing.

But even if Brundage can bar all the current ski stars and halt the ice hockey players, these sports still will be included in the 1972 games. Whether they will remain in 1976—and whether the 1976 Winter Games, awarded yesterday to Denver, themselves will be held will not be decided here.

J.F. "Bunny" Ahearne, the president of the International Ice Hockey Federation, had a meeting with Brundage and other members of the IOC executive board today and reported that he had been promised that ice hockey would be held at Sapporo.

The IIFH, in return, promised again to obey the Olympic rules of eligibility at Sapporo, although the federation has some different rules itself on amateurism (allowing professionals to be reinstated as amateurs, for example; Ahearne said no reinstatement has ever participated in the Olympics).

Mr. Ahearne also asked for some relaxation of the rules. In particular, he requested that players be allowed to receive some money per game, that they already hold "genuine jobs" or are "genuine students." He said many hockey players were forced into the pro ranks because they needed to make "just a little money on the side."

2 Panels to Report
This point will be discussed tomorrow by the 70 delegates here. Two separate commissions have prepared reports on eligibility and the two represent the opposing views here. The first, headed by Alexandru Sipere of Romania, has recommended that "broken time" payments be allowed for athletes as compensation for time lost from their jobs for training. The Sipere Commission, which is composed of IOC and National Olympic Committee members, has won the approval of the various international sports federations as a first step toward liberalizing amateur rules.

But when it became clear months ago that the Sipere report, which was advocating such liberal rules, was not acceptable to the IOC, Brundage pressed for the formation of an IOC committee under the leadership of Hugh Weir of Australia, a strict interpreter of the amateur code.

Both reports will be discussed tomorrow, but no action is expected. Lord Killanin of Dublin, an IOC vice-president, told a press conference today that he personally believed, "It will be very difficult to come to a decision at this session" on either the expulsion of Alpine skiing in 1976 or on changes of the amateur rules.

"In regard to Sapporo, all the games will be in," he added, "provided the competitors conform to the rules of Olympic eligibility."

No Decision This Year
Lord Killanin said tonight that any decision on eligibility would not be made until the next scheduled IOC session, next year in Luxembourg.

But Mr. Sipere was hoping for at least the adoption by the current session of a "mandate" or "guidelines" by which the congress can direct the executive board.

Mare Hodler, the president of the Federation Internationale de Ski, said today that the Sipere report "would be acceptable" to Alpine skiing. He said that, "we're not far away" from the Sipere position.

On the other hand, Mr. Hodler said the Weir report "is impossible for us." Asked if the recommendations were strict, Mr. Hodler replied, "That committee was formed to be strict."

Today, the IOC congress heard reports from the organizing committees from Munich, site of the 1972 Summer Games, and Sapporo. But the main thing that was made clear today was that nothing much would happen tomorrow.

On Friday, the IOC will turn its attention to the South African problem.

Irony Mounts Over Chantilly Race

Jockey Sued by Owner After Victory

By James Brown

PARIS, May 13 (NYT)—A strange case in the world of horse racing: an owner is suing French champion jockey Yves Saint-Martin for a purse lost when his horse was taken down from first place in a race where the jockey was a reluctant winner.

Jules Desbois, a hotel owner with a small family stable, is asking \$6,000 in a civil suit against Saint-Martin for having been disqualified in the Handicap de l'Éclaireur run at Chantilly last Sept. 24.

The horse, Chateau d'Ys, was attributed a weight of 1166 pounds. Saint-Martin could not make this weight so he was officially allowed to ride at 1185 pounds. However, he weighed back in after the race at 1225.

This was above the 25 pounds tolerance allowed in the racing code.

There is nothing unusual in this difference in weights to those who know the complicated maneuvers that take place in handicaps in the attempt to make the handicapper nod a bit and gain a more advantageous weight next time out.

The only odd thing is that Chateau d'Ys won the race.

Nothing Illegal
The gimmick is that only the first five jockeys weigh back in. Jockeys who do not think they have a chance to win that day and who are over the weight often go to the scales with a very light, jimsy saddle which cannot be used to ride. The horse carries a regular saddle. All they have to do is stay out of the first five. There is nothing necessarily illegal or unethical about this. It is all part of the game.

In this game, the trainers try to hide the true value of the horse.



Yves Saint-Martin

from the handicapper. In order to protect the bettors the stewards rigorously enforce the rule that horses must not exceed the fixed weight, by more than the allowed tolerance. A jockey may ride above the fixed weight but this weight must be announced publicly and appear in the official program.

Saint-Martin normally rides at 150 pounds bottom weight but he can "waste" himself down to 118 to fulfill an engagement for one of his contracted employers such as the Aga Khan.

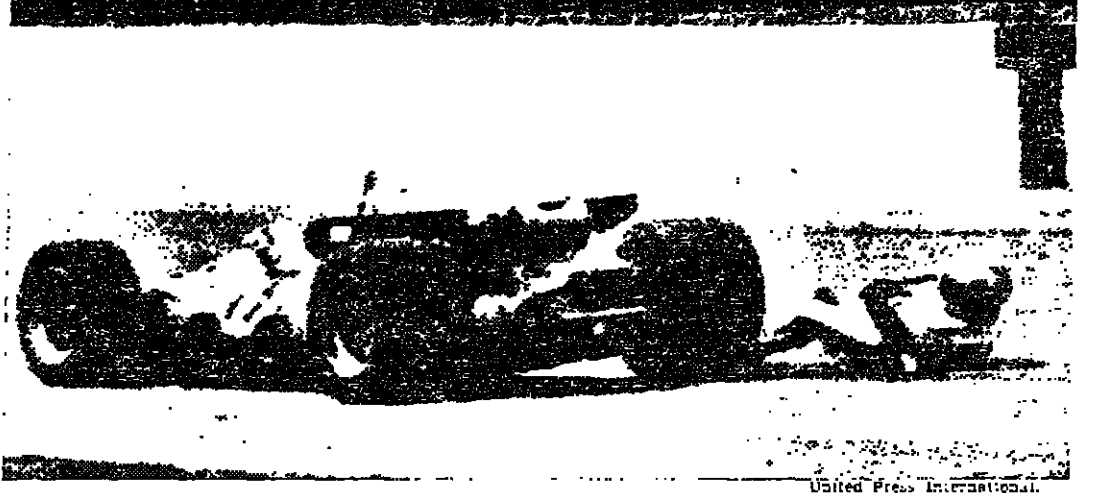
French racing experts said it was the first time that an owner of a horse had brought suit against a jockey to hold him responsible for a loss and to demand that the jockey reimburse him for the purse.

Saint-Martin has been the champion jockey in France eight times, having won more than 1,100 races. Thirty years old, married, with two children, he is at the top of his profession and is something of a national hero to the little bettors, not been taken down in the hand-

icap. His lawyer told the opening session of the trial today that the penalties imposed by the stewards were sufficient. He pointed out that there were often disqualifications which were accepted in a sporting spirit by the owners. To pit the owner against the "jockey" would be a ludicrous step, he added. The court will make known its decision next week.

One ironic thing about the case is that Chateau d'Ys went on to win a \$40,000 purse in a race for profession and is something of a national hero to the little bettors, not been taken down in the hand-

icap. Mr. Desbois said that when his



HULME BADLY BURNED—New Zealand race driver Denis Hulme rolls on Indianapolis Motor Speedway track after leaping from his burning McLaren-Ford. A fuel filler cap came loose during a practice run for the 500-mile race on May 30. Hulme is in "fairly good" condition with serious burns on his hands and neck.

London Retires After Bugner, 20, Stops Him in 5th

LONDON, May 13 (AP)—Joe Bugner, Britain's rising heavyweight star, punched Erian London into retirement last night with a flurry of right hands that stopped the former world title contender in five rounds.

The 20-year-old Bugner, taller and stronger than his 35-year-old opponent, controlled the scheduled 10-round fight with sharp jabs and punishing punches London was helpless when the referee stepped in at 1:25 of the fifth round.

London promptly announced the end of his 15-year ring career, in which he won the British heavyweight championship in 1958 and lost it the next year to Henry Cooper.

London was twice knocked out in world title bouts—in 11 rounds by Floyd Patterson in 1950 and in three rounds by Cassius Clay in 1966.

Mikkola, Palm Keep Lead in Auto World Cup
SANTIAGO, Chile, May 13 (UPI)—Flying Finn Mikkola held on to his lead in the London to Mexico World Cup rally today as the remaining crews crossed into Chile from Argentina on the trans-Andes section of the race.

Mikkola and Swede Gunnar Palm in their Ford Escort led the top 10 field of cars, none of which suffered any penalty points on the tenth prime during the night.

Standings after the San Antonio Oeste to Bariloche prime:

1. Mikkola, Palm, Ford, one hour 20 minutes. 2. Timo Mäkinen, Finland, 2. 3. Guy Verrier, France, 3. 4. Brian Clough, 4. 5. Brian Clough, 5. 6. Brian Clough, 6. 7. Brian Clough, 7. 8. Brian Clough, 8. 9. Brian Clough, 9. 10. Brian Clough, 10.

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